Austria Sch 18	Indonesia Rp 2500	Portugal Esc 80
Bahrain Din 0.650	Italy L 1200	S. Arabia Rls 6.00
Belgium BFr 38	Japan Y550	Singapore S$ 4.10
Canada C$1.00	Jordan Fils 500	Spain Pta 100
Cyprus C£0.60	Kuwait Fils 500	Sri Lanka Rup 30
Denmark DKr 7.25	Lebanon L£ 6.00	Sweden SKr 6.50
Egypt E£1.00	Luxembourg LFr 38	Switzerland SFr 2.00
Finland Fmk 5.50	Malaysia Ringgit 4.25	Taiwan NT$ 35
France FFr 6.00	Mexico Pes 300	Tunisia Din 0.600
Germany DM 2.20	Morocco Dh 6.00	Turkey L 180
Greece Dr 60	Netherlands Fl 2.50	UAE Dh 8.50
Hong Kong HK$ 12	Norway Nkr 6.00	USA $1.50
India Rup 15	Philippines Pes 20	

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,487 — Thursday November 29 1984 — D 8523 B

Japan makes progress towards financial liberalisation, Page 24

NEWS SUMMARY

GENERAL

Dole new leader of Senate majority

Senator Robert Dole of Kansas was elected to the most powerful position in the U.S. Senate after a fierce contest between five rivals for the coveted post of Republican majority leader.

Mr Dole, chairman of the Senate finance committee, succeeds retiring Senator Howard Baker of Tennessee as majority leader. He will play a key role in piloting President Reagan's second term legislative programme through the Congress that convenes in January.

Mr Dole, President Ford's defeated vice-presidential running mate in 1976, and Mr Baker have presidential ambitions for the elections in 1988. Page 22

Arafat returns

Palestine Liberation Organisation chairman Yassir Arafat withdrew his resignation to rapturous applause from delegates at the Palestine National Council meeting in Amman. Page 4

Reagan warns

President Reagan said six Soviet ships were sailing to Nicaragua and warned Moscow that Washington could not accept the introduction of MiG jets into Central America.

Lebanon fighting

Heavy artillery exchanges erupted between rival militia in Lebanon after an apparent deadlock in negotiations to end Israel's 29-month occupation of the south of the country.

Peru emergency

Peru, facing a 24-hour strike today over austerity measures has declared a 30-day state of emergency.

Caledonia proposal

Former French President Valery Giscard d'Estaing has said the troubled Pacific territory of New Caledonia should have the choice between independence and integration into France. Page 3

ETA arrests

Spanish police captured several commando groups of the Basque separatist guerrilla movement ETA in what they described as a big anti-terrorist operation in northern Spain.

Syria seeks arms

Syria is seeking arms from countries other than the Soviet Union. Britain and France are among countries to which it has presented a shopping list. Page 4

U.S. 'spy' claim

A former Central Intelligence Agency employee was arrested for allegedly providing Czechoslovakia with U.S. national security secrets and the names of CIA agents.

Chile charge

A United Nations report has accused Chile of failing to uphold human rights and of increasingly using torture over the past year. In the country Chilean opposition groups unsuccessfully called for a general strike against General Pinochet's Government. Page 5

Japanese satellite

Japan will launch its first planetary satellite in January to observe Halley's Comet approaching the sun on its 76-year cycle.

Hong Kong signing

British Prime Minister Margaret Thatcher will got to Peking next month for the formal signing of the agreement to return Hong Kong to Chinese control.

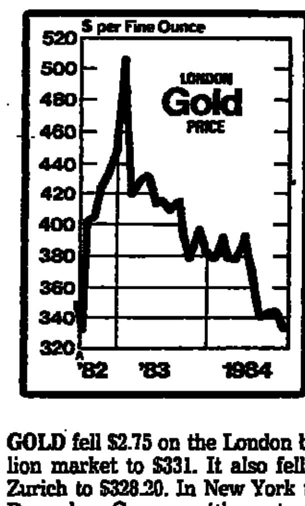
BUSINESS

More US banks cut prime rates

MOST LEADING U.S. banks cut their prime lending rates by half a percentage point to 11¼ per cent, reflecting the easier trend which has emerged in the U.S. money markets since the Federal Reserve cut its discount rate by half a percentage point to 8½ per cent. Page 22

WALL STREET: the Dow Jones industrial average closed down 14.80 at 1,205.39. Section III

DOLLAR rose in London to DM 3.07 (DM 3.0560) and FFr 9.40 (FFr 9.3550), but fell to SwFr 2.52 (SwFr 2.5230). It was unchanged at Y245.40. On Bank of England figures, its trade-weighted index rose to 142.4 from 141.7. Page 41



GOLD fell $2.75 on the London bullion market to $331. It also fell in Zurich to $328.20. In New York the December Comex settlement was $330.80. Page 40

STERLING eased 30 points in London to $1.2055. It also fell to SwFr 3.04 (SwFr 3.0475) but rose to DM 3.70 (DM 3.6925) and FFr 11.3675 (FFr 11.30). It fell to Y295.75 (Y296.5). Its exchange rate index eased to 74.2 from 74.6. Page 41

LONDON equities continued their advance, taking the FT Industrial Ordinary index to a second consecutive all-time high, up 3.9 at 929.2. Conventional gilts were mostly easier although index-linked stocks found some demand. Section III

TOKYO stocks moved ahead in active trading and the Nikkei-Dow market average put on 63.96 to 11,248.08. Section III

ITALIAN GOVERNMENT took the first step to reduce the highly valued tax-free status of its Treasury bills, with which it finances the bulk of its public sector borrowing requirement. Page 2

JAPAN'S seven trust banks saw a 41 per cent jump in their combined pre-tax profits in the half-year to September 30, to a record Y82.9bn ($337.8m). Page 25

INTEREST RATES in Ireland are expected to rise shortly, perhaps by as much as 2 per cent, despite the general easing of international rates. Page 3

IRELAND has refused to meet a delegation of Hong Kong and Japanese shipowners affected by the liquidation of state-owned Irish Shipping. Page 24

EUROPEAN COMMISSION approved a broad package of proposals to develop the European Monetary System, including further measures to liberalise capital movements and restrict the use of exchange controls. Page 3

CHASE MANHATTAN, the third biggest U.S. bank, has begun a big management reshuffle, to create consumer banking, global banking and national banking divisions. Page 23

PHILIP MORRIS, the world's second largest cigarette company and brewer, is taking a $140m write-off in its final quarter to cover the costs of a new brewery, delayed because of lack of demand. Page 23

Late flood of applicants swamps British Telecom share offer

BY ALISON HOGAN IN LONDON

THE RUSH to count the applications for shares in British Telecom, the largest-ever public share offer, got underway yesterday after the deadline for applications closed at 10.01am.

The Government's advisers handling the issue were working hard to avoid any delay to the start of trading in the shares, still set for 3pm Monday. Some feared the weight of applications would force them to put off first dealings until Tuesday.

The last-minute flood of hopeful investors trying to beat the deadline brought crowds around the offices of banks handling the issue. In Glasgow, a dustcart screeched to a halt outside the Royal Bank of Scotland, and its driver rushed in with his forms. In Bristol, the Blood Transfusion Service turned up.

First estimates suggest that the issue will have been oversubscribed about twice. With requests for about £3bn ($3.6bn) worth of shares chasing the £1.52bn worth being made available to the UK public and BT employees, many investors are likely to have their applications scaled down.

In cheerful anticipation of the launch of the shares, which will become a constituent of the FT Ordinary index, the stock market scaled new heights again yesterday, pushing the index up 3.9 to a record close of 929.2. The broader-based FT-Actuaries All-share index rose 0.7 per cent to 562.57.

Mr Kalapi Patel was one of the lucky investors who just managed re-apply for shares having had his incorrectly completed form returned to him. "I had applied for the wrong amount. I asked for 350 but have corrected it to 400 now," he said.

Richard Branson, chairman of the Virgin Group, offered to buy the equivalent of £5m worth of shares for his 1,600 staff and artists. Many have accepted the offer of over £3,000 worth of shares each.

His condition is that they either sell their shares in a week's time and distribute the profits equally among all the staff or they can repay Virgin at the cost price of the shares.

Branson says Virgin will make no profits and if the shares go down in value, the Virgin Group has guaranteed to absorb the loss.

The stags were out in force yesterday, encouraged by market rumours that the shares will go to a hefty premium of perhaps 20p when dealings begin.

At one National Westminster branch in London, people were rather coy about why they had left their applications so late.

Seasoned stags were taken aback by the unprecedented security and organisation surrounding the BT issue which prevented the unseemly scramble which occurred in the closing hours of the Jaguar issue earlier this year.

At National Westminster, the long pathway to the entrance was lined with officials watching the stream of people.

"Spotters" were stationed to pick out multiple applicants, often on their fifth or sixth trip. They were followed into the hall, and their applications immediately recovered.

One stag was thwarted in an attempt to get through the net by sending a stream of pretty girls to put in his applications. One young woman received a lecture on fraud from a Kleinwort, Benson director.

Among the hundreds of multiple applications spotted by the sharp-eyed team was a special account number at the Midland Bank at Kings Cross, London.

Hundreds of bank employees were organised at the different reception points to sort and check the applications.

Peat Marwick Mitchell, the chartered accountants appointed by the Government to monitor the proceedings, said that the steady volume of applications over several days has allowed them to devote more time to screening, with up to 100 people working at one point.

Reagan budget team draws up 'Draconian' plan to halve deficit

BY REGINALD DALE, U.S. EDITOR, IN WASHINGTON

PRESIDENT Ronald Reagan's budget advisers have given him what officials called a "Draconian" plan to halve the federal budget deficit to $100bn by fiscal year 1988, including a slowing of the pace of increase in defence spending.

Mr Larry Speakes, the White House spokesman, said yesterday that the plan contained "a lengthy list of domestic and military programmes that could be reduced or eliminated to reduce the deficit to target levels."

Mr Reagan has directed that the $100bn target for fiscal 1988, which begins on October 1 1987, should be met without raising taxes or cutting the politically sensitive social security system.

The proposal to cut projected defence spending, which Mr Reagan also opposes, seemed certain to provoke a Cabinet battle, with Mr Caspar Weinberger, the Defence Secretary, holding out for his original target of $333.7bn in defence authorisations for the coming fiscal 1986 budget year.

Administration officials indicated that the hope was to reduce the 1986 deficit about $40bn from projected total of well over $200bn. The proposed "standstill" plan for defence spending would produce less than $10bn of those savings, the officials said.

By 1988, however, the plan would lead to nearly $30bn in defence savings. The idea would be to keep defence spending on a steady upward path – at a real rate of perhaps 5 per cent a year – but not rising as steeply as earlier Administration projections.

Mr Reagan yesterday took no decisions on the plan, saying that he wanted further details and more time to study the proposals, Mr Speakes said. It was considered highly doubtful whether he would accept the defence slowdown.

The bulk of the suggested cuts, however, are in non-military domestic programmes, excluding social security. Administration officials said that while the plan generally avoided cuts in programmes that benefited the poor, they still expected a congressional outcry if the proposals went to Capitol Hill in their present form.

Among programmes believed to be facing deep cuts are farm support, veterans' benefits, civil service and military pensions and student loans.

Other options that have been discussed include raising the cost of contributions to the Medicare health care system for old people, cutting subsidies to the Amtrak railway network and rural electrification.

Reaction to Reagan proposals, Page 6; Editorial comment, Page 20; Prime cuts; Dole elected Senate majority leader, Page 22

Indesit plan to reduce workforce by half

By Alan Friedman in Milan

INDESIT, Italy's second largest manufacturer of home appliances after Zanussi, yesterday announced that it wanted to cut its workforce of just over 8,000 by more than half. Trade unions who have been asked to accept the cuts have threatened to strike for eight hours one day next week.

An Indesit director said last night that output had been reduced for the past four years as a result of the recession and a declining market. Whereas the company employed 11,000 and manufactured 2m units in 1980, it is now able to employ only 4,000 full-time at once and produce 1.2m units a year.

Employees use a rota system under which only half work at any one time. An Indesit executive said: "Many of the workers rotate every other day, and this is both inefficient and costly." He said that the permanent loss of 4,290 jobs was an "unpleasant prospect and a social problem."

The Turin-based company last year lost L23bn ($12m) on turnover of L302bn.

Indesit, which claims to have 12 per cent of the Italian market for white goods and a 5 per cent share in Europe as a whole, emphasised the need to keep costs down if it were to break even this year and return to profit in 1985. Last year's loss arose mainly in the television and electronics sector, but the company also suffered a L14bn extraordinary debt related to its emergence from court-appointed receivership.

The company said last night that its 1984 turnover would amount to some L312bn, representing a 3 per

Continued on Page 22

EEC threatens retaliation on U.S. steel move

BY PAUL CHEESERIGHT IN BRUSSELS

THE EUROPEAN COMMUNITY yesterday threatened retaliatory trade measures against the Reagan Administration's abrupt decision to halt all imports of EEC steel pipes and tubes until the end of the year and to impose limits on shipments next year.

"We have no choice but to act against the U.S.," Viscount Etienne Davignon, the EEC Commissioner for Industry, said.

As a first step, the Community plans to protest to the Council of the General Agreement on Tariffs and Trade (Gatt) in Geneva that Washington has taken unilateral action to halt imports.

In the absence of any further consultations with the U.S. the European Commission will draw up a list of products imported from the U.S. on which restrictions could be imposed.

These products would then be subject to extra tariffs or quotas, the level of the restriction being pitched at a value equivalent to whatever the EEC calculates it loses from the U.S. curtailment of pipes and tubes imports.

There can be no direct retaliation: the U.S. has no pipes and tubes sales in the EEC. On the precedent of a dispute with the U.S. on special steel imports last year, the EEC will select a range of manufactured products.

The list will then be presented to the EEC Council of Ministers for a final decision on retaliatory measures.

Viscount Davignon said that the EEC was ready to talk with the U.S. on the basis of EEC suppliers having 7.6 per cent of the U.S. pipes and tubes market.

This offer, which emerged from talks ten days ago between M Davignon and Mr William Brock, the U.S. trade representative, was rejected by the U.S. on Tuesday.

The breakdown in the attempt to reconcile the U.S. steel industry's desire for lower imports with the EEC's wish to profit from an upsurge on the market comes at a time when the Reagan Administration has promised a more aggressive posture in trade relations.

Given the running trade disputes between the two sides on agriculture, transatlantic trade tension now seems likely to become more acute.

The precise EEC position on the pipes and tubes retaliation remains vague. It cannot fashion its response exactly until it is clear on what legal basis the U.S. is acting. Further, it does not yet know how the U.S. will administer its new control.

The dispute hinges on the degree to which a 1982 exchange of letters giving a guideline of 5.9 per cent for the EEC share of U.S. pipes and tubes market is binding. In fact, the EEC share in 1983 was 8.1 per cent and by this month had built up to 14.4 per cent.

Faced with the U.S. decision to control imports on the basis of the 5.9 per cent, and in accordance with the Omnibus Trade Act passed by Congress just before the presidential election, the EEC has denounced the exchange.

If the arrangement implicit in the letters does not exist, as is now the case, then in the EEC view there is nothing for the U.S. to implement in terms of the Trade Act.

Commission's EMS plans, Page 3; U.S. relations with Gatt, Page 22

Bank of England proposes new regulations on capital raising

BY DAVID LASCELLES, BANKING CORRESPONDENT, IN LONDON

THE Bank of England yesterday proposed regulations for banks seeking to raise capital through issues of debt on the financial markets. The immediate reaction in the City of London was that the proposals were tougher than expected and might make it harder for banks to sell certain types of debt issues.

The proposals came in a note circulated to members of the British Bankers' Association and formed part of the Bank's awaited response to recent innovations in the banking markets.

The Bank is inviting comments, however, and some of the details may be modified.

The Bank addressed the growing popularity of perpetual floating rate notes, which are like bonds in that they never have to be repaid. Several banks, including National Westminster and Barclays, have issued millions of pounds worth of such notes in recent months, claiming that they are similar to equity.

The present wave of liberalisation in Japan's financial markets has led banks and brokers to contemplate a freer and more competitive domestic operating environment and to look forward to adventurous expansion abroad. Page 24

The Bank is proposing that these issues can only rank on the same level as equity if they meet certain conditions, the main one being that they must be converted into equity if the issuing bank runs into trouble.

If they meet this criterion, however, a bank can have up to half its primary capital in the form of perpetual notes.

Bankers said last night that while the primary capital proposal was generous, the investment community was unlikely to buy notes that had to be swapped into equity at precisely the moment when a bank was in difficulty and not paying a dividend.

The Bank also ruled that no loan capital issues which contain a clause to trigger early repayment could be included in a bank's capital base, because this made it less stable. However, it was stressed that the note did not affect the quality of issues that banks had already put on their balance sheets.

The Bank also detailed conditions in which banks can invest in each other's debt issues without having the investment deducted from their own capital. The Bank's known concern about these "incestuous" holdings have already been a dampener

Continued on Page 22
Lex, Page 22

Chevron plans 12,000 job cuts

BY WILLIAM HALL IN NEW YORK

CHEVRON is planning to cut its workforce by up to 12,000 – or 15 per cent – because of its takeover of Gulf Corporation, the fifth biggest U.S. oil company, earlier this year.

Chevron is in the process of merging the two companies which have a combined workforce of over 80,000. It said yesterday that about 12,000 employees of both companies were being offered voluntary severance. Those who resign voluntarily would receive up to a year's pay and other previously earned retirement benefits.

The company was unable to estimate how many of Gulf's 42,000 workers would lose their jobs, and stressed that many would be offered other jobs in the new group.

It is clear, however, that Chevron is wasting little time in dismantling the former corporate empire of the Pittsburgh-based Gulf Corporation. Many of the functions formerly performed in Pittsburgh and elsewhere in the U.S. are being relocated to the West Coast. Chevron estimates that 2,800 jobs in Houston, 1,500 in Pittsburgh and 1,500 at other locations will be affected.

About 2,700 jobs in Gulf's accounting and computer-related work in Pittsburgh, Houston and Atlanta will eventually be relocated to the San Francisco Bay area. The majority of employees will be offered comparable positions with Chevron.

Gulf's Pittsburgh headquarters will be phased out, and staff functions there will be consolidated with similar Chevron functions in San Francisco. Chevron said that the "future disposition of Gulf's office building in Pittsburgh is under review."

Troubles for Mobil Oil subsidiary, Page 22

CONTENTS

EUROPEAN NEWS

GM wins European award for Opel

By Kenneth Gooding, Motor Industry Correspondent, in London

GENERAL MOTORS, the world's largest automotive group, has won the coveted European Car of the Year award for the first time - further evidence of the U.S. group's growing strength in Western Europe.

The 1985 award has gone to GM's new Opel Kadett, which is sold in Britain as the Vauxhall Astra.

The award, decided by 51 independent motoring writers and editors from 16 European countries, carries considerable prestige, particularly in continental Europe.

It should give GM considerable help in achieving the target of over 500,000 sales - a record for any car in Europe - next year.

The Kadett/Astra received 328 points to head the list of 13 eligible cars. Second was the Renault 25, with 261 points, and the Lancia Thema, produced by Fiat's up-market subsidiary, was third with 191 points.

The Kadett is produced in Opel factories at Bochum, West Germany, and Antwerp in Belgium, while the Astra version is assembled at Vauxhall's Ellesmere Port facility on Merseyside. The car is also vital to GM's engine plants in West Germany, Austria and Australia as well as its French transmission plant.

Since 1980 GM has increased its share of the European car markets from 8.7 per cent to 11.4 per cent at the end of Spetember this year, causing European producers some consternation.

Small family businesses fear for their future. **James Buxton** reports from Rome

Tax Bill challenges Italy's grey economy

MORE IS at stake than such mundane issues as fiscal justice or the survival of Sig Bettino Craxi's Government in the battle raging in Italy over a Bill to make the small family business pay more tax.

It is an argument over what kind of country Italians want Italy to be.

On the one side is the forbidding figure of the Bill's presenter, Sig Bruno Visentini, the 70-year-old Minister of Finance. He says it is the "institutional duty" of government to make sure that the country pays its taxes and pays them equitably. He says he believes in "a state based on law and social justice."

On the other side are the many Italians, including some of his ministerial colleagues, who believe that every individual has the right to resist the encroaching power of the state to the best of his ability, and who consider that the most vibrant element in the country is the submerged or grey economy that thrives precisely because it is beyond the reach of the taxman.

At the root of the conflict is the profoundly uneven development of Italy since the war, which has resulted in a country that produces and operates some of Europe's best robots, yet which has twice as many *shops per inhabitant* as West Germany.

It is Italy's 900,000-odd small shopkeepers and their fellows, the million or so self-employed artisans, who have most to fear from Sig Visentini's measure, which should last night have received the approval of the Senate.

Their own tax declarations demonstrate that they pay far less tax than they should: in 1983 shopkeepers declared average incomes of only L6.6m (£2,900), less than the income of their shop assistants who said they earned L10.5m a year, and well below the L16m of the industrial worker.

Smart hairdressers with some of the best addresses and clients in Milan declared in 1982 total annual receipts of less than £100,000, barely enough — one would have thought — to cover the rent. Lawyers and doctors declared annual incomes of less than £7,000.

These figures surprise nobody. When you go to the doctor, his secretary makes sure you don't get a formal receipt. Even in relatively smart areas of Rome shopkeepers keep their cash in a drawer, or even in their wallets.

But even if the Italian housewife calls fairly happily at half a dozen little shops each day to get her household provisions, there is less tolerance now of the inefficiency, slow service and inadequate stocks of many small shops, and of the unfairness of the tax system as a whole.

For in the past few years Italians have, to many people's surprise, become a taxpaying nation. Wage and salary earners are taxed at source; the revenue collection system, the Italian industrial worker is one of the heaviest taxed of his kind in Europe. Governments have succeeded in raising the proportion of Gross Domestic Product taken in taxes from 36 to 42 per cent since the late 1970s.

Given the combination of a population that for sound historical reasons regards paying taxes as paying tribute to an alien occupying power, and of an administration pitifully equipped to operate an inland authorities have had to use methods that would astonish a tax inspector in Northern Europe.

Earlier this decade the Ministry of Finance published in the newspapers lists of relatively rich citizens and celebrities, *followed by the amount of tax* they paid and the far greater sum the taxman reckoned that they owed. Many people began paying more tax out of fear, for one did not have to be a big tax evader to go to prison in handcuffs. Unfortunately, the lists were a godsend to kidnappers.

To give customers a lever to insist on being given proper bills, anyone who leaves the restaurant without a receipt has since 1980 been liable to arrest in the immediate vicinity of the establishment. Another bitterly contested law, now gradually being implemented in the bigger shops, obliged shopkeepers to instal electronic cash registers which preserve all transactions on magnetic tape for the taxman.

Sig Visentini's Bill is in the tradition of the bludgeon. Businesses which do not keep proper books are liable to pay income tax on an *assumed* profit margin based on their *estimated* turnover. The owner of a business will in future have to declare 51 per cent of its net income as his own, instead of splitting it among as many family members as posible so that none pays tax.

The proposals, which would raise L10,000bn in extra revenue next year, have caused strikes by shopkeepers and artisans. The shopkeepers' lobby is so powerful that in 1971 it got on to the statute book a law which allowed supermarkets to be set up only in the most exceptional circumstances.

The anger of the shopkeepers and self-employed, who fear they will go out of business, has scared the members of the ruling five-party coalition whose Cabinet approved the Bill in July.

The Christian Democrats, Social Democrats and Liberals all fear that their voters will punish them for the tax measure in the regional elections next May—which are barely less important here than general elections. Yet Sig Visentini and his moralistic Republican Party have refused to budge more than an inch or two on amendments. He has used to great effect the threat of resigning thereby bringing down the coalition if his Bill is not passed.

Sig Craxi, the Socialist Prime Minister, to his credit, has shunned easy popularity and is maintaining faith with the unions who in return for this Bill acquisced in his other courageous—though less enduring—Act, the cutting of the *scala mobile* indexation system, linking incomes to prices.

Yet though the Bill should now pass the Senate, it must still run the gauntlet of the Chamber of Deputies. Even if it passes more or less intact, will the tax officials be able to implement it, chronically underpaid and understaffed as they are? Could it be that the submerged economy will show itself once again to be master of the art of *arrangiarsi*—accommodating oneself to whatever apparently draconian regulations the authorities come up with?

The submerged economy used to be condemned as irrefutable evidence of Italy's backwardness. Then it became glorified as one of the most resilient parts of the economy. The balance may perhaps now be swinging the other way again. Certainly Sig Visentini has no doubts. "Panegyrics of the black economy are unworthy of a modern country," he thunders.

The Italian Senate was last night engaged in what promised to be an all-night session to approve the Bill which should sharply increase tax payments by the self-employed professional and the small businessman.

To overcome opposition to the strongly contested measure Sig. Bruno Visentini, the Finance Minister, has rewritten the complex Bill to consist of only five clauses, and the Government has attached a vote of confidence in itself to each clause. Thanks to this and to the imposition of a guillotine on the length of the debate, the Bill should pass the Senate by early this morning.

However, the small Social Democrat Party which is part of the ruling coalition is showing its disapproval of the measure by abstaining from voting on two clauses of the Bill, including the controversial section that entails the assessment by the tax inspector of a business's profit margin.

The Christian Democrat senators have made no attempt to hide their dislike for many of the Bill's provisions, but were yesterday voting for it in order not to bring about the fall of the Government.

The Bill will next have to be approved by the Chamber of Deputies, the Lower House.

Tax appeal of Treasury bills to be reduced

By Our Rome Correspondent

THE ITALIAN Government has taken the first step to reducing the highly prized tax-free status of its Treasury bills, with which it finances the bulk of its public sector borrowing requirement.

While Treasury bills will remain tax free for private citizens, banks, companies and insurance institutions will no longer be able to claim tax relief on funds which they employ to buy them.

It is reckoned that about half the Treasury bill issue is held by banks, companies and insurance concerns. The fact that investment in the bills has been tax free has greatly helped the Government to finance its vast deficit, which this year is equivalent to about 15 per cent of Gross Domestic Product.

Italians from all walks of life put their money into the government paper, finding it one of the few ways of keeping ahead of inflation. The tax privilege on the Treasury bills has criticised by trade unions.

In a separate development Sig Nicola Capria, the Minister for Foreign Trade, said that he intended tomorrow to publish a series of decrees reducing foreign exchange control.

The most important measure is expected to liberalise foreign investment by Italians, by cutting from 50 to 30 per cent the size of the non-interest bearing deposit they must make in respect of any overseas investment. Another decree is expected to allow Italian investment funds to invest more of their assets outside Italy.

Christopher Bobinski and **David Buchan** report from Warsaw

Poles seek to end Genscher row

POLAND IS making a concerted effort to smooth over its row last week with West Germany amid gloom in its Politburo that bad relations with the U.S. will continue into next year, a top foreign policy official said this week.

Even the recent contacts between the U.S. and Soviet Union do not dispel this gloom here.

"I fear the Reagan Administration as it enters a dialogue with the Soviet Union, will try to demonstrate its anti-Communist credentials on Poland," the official said.

He was speaking as talks on dismantling one of the western sanctions on Poland — the freeze on debt rescheduling — got under way in Paris yesterday.

Warsaw is bitter, however, that the U.S. is still denying it tariff concessions and membership of the International Monetary Fund.

Party and government officials here are absolving Herr Hans Dietrich Genscher for his abrupt postponement of last week's visit here.

The ruling CSU/CDU coalition "wanted to tie his hands and legs" to prevent him from travelling to Warsaw, the senior party foreign policy official said.

The Poles appreciate that immediately after the postponement of the trip, Herr Genscher went on television to say that Bonn did not and would not question Poland's western frontiers incorporating former German territory.

Talks start on debt rescheduling

POLISH OFFICIALS yesterday began negotiations with Western Governments on ways of *rescheduling payments of the* $3bn owed in principal and interest to official creditors in 1982-84 and of some money still owed under the unfulfilled 1981 rescheduling agreement.

Mr Jerzy Malec, the deputy president of the Bank Handowy and one of the two key negotiators in Paris, said that the way for rapid progress had now been cleared by Poland's payment of some 1981 arrears to the U.S.

The U.S., unlike other creditors, never got around in 1981 to signing an agreement with Poland but Poland's apparent discrimination against the U.S. in refusing to pay it as the others had been blocked all progress in the Paris Club this year.

Mr Malec said in an interview before leaving for Paris that Poland was ready to be flexible in this week's talks. But if it were to get some new government credits, perhaps recycled *from interest payments, then its* economy could sustain a shorter and tougher repayments schedule.

"New credits can be pumped into the economy to boost export production and therefore hard currency for debt service," he said. Saying this method was proving successful with Poland's commercial bank creditors.

As part of its agreement with private banks, which now covers debt rescheduling up to 1987, Poland has received an *increasing amount of its interest* payments recycled back into the country in the form of trade credits.

These, which amounted to \$180m in 1983, \$255m in 1984, and will be \$360m in 1985, are being used for the import from the West of investment equipment, spare parts and raw materials for export production.

FINANCIAL TIMES, USPS No 190640, published daily except Sundays and holidays. U.S. subscription rates $420.00 per annum. Second class postage paid at New York NY and at additional mailing offices. POSTMASTER: send address change to: FINANCIAL TIMES, 14 East 6th Street, New York, NY 10022.

Commission approves plan to develop EMS and promote the Ecu

BY QUENTIN PEEL IN BRUSSELS

THE EUROPEAN Commission yesterday approved a broad package of proposals to develop the European Monetary System (EMS), including further measures to liberalise capital movements, to restrict the use of exchange controls in individual member states, and to promote the use of the European Currency Units (Ecus).

The aim of the package is to ensure greater co-ordination of economic policies, and integration of financial systems throughout the EEC, as well as to extend the role of the Ecu.

Among the specific proposals put forward by the Commission in a draft regulation to the Council of Ministers are:

- An improved and formalised early warning process about members states' economic policies and balance of payments adjustments.
- More effective use of medium-term loans between member states to provide balance-of-payments support.
- A review of existing exchange control measures to limit both their scope and duration.
- Liberalisation of capital movements to include not only unit trusts, but also the issue of shares and other equities, unlisted securities, long-term commercial loans, and even some form of mortgage loans.

The package amounts to the culmination of months of work by Commission officials seeking to expand the operation of the EMS into the area of economic policy co-ordination and financial integration. But it still depends on the approval of the EEC finance ministers, who have previously been slow to agree on any major initiatives.

The Commission will also submit a package of measures affecting the official use of the Ecu to the December 10 meeting of finance ministers. Those including payment of market-related interest rates for Central Bank holdings of the embryonic currency, freer convertibility of the Ecu into other currencies through the European Monetary Co-operation Fund an authorisation for non-EEC central banks to hold Ecu deposits.

The proposals are in line with the draft agreement which emerged from last week's meeting of the Community's monetary committee — although Belgium is resisting the move on higher interest rates.

The draft regulations stopped short of specific measures for greater private use of the Ecu, partly out of deference to the continuing opposition of West Germany to such a move.

However, it suggests that member states should support "more uniform treatment' 'of the currency, and the "effective establishment of an organisation for multilateral clearing of Ecu bank transfers."

On the question of sterling's participation in the Exchange Rate Mechanism, which underlies the Ecu basket, the Commission diplomatically suggests no more than that the Council keeps the question "under review," with a view to dealing wiht it "in the near future."

FitzGerald to visit EEC capitals before summit

BY IVO DAWNAY IN BRUSSELS

DR GARRET FITZGERALD, the Irish Premier, is to make a last minute tour of some EEC capitals in an attempt to remove major political obstacles holding up Spanish and Portuguese membership of the Common Market.

The initiative comes just five days before the EEC heads of government summit in Dublin where European leaders will have to tackle a series of crucial issues which foreign ministers have been unable to unravel in three days of talks in Brussels this week.

Dr FitzGerald, as current President of the European Council, will go to Paris and, possibly Bonn and Rome. This suggests that the key item for discussion will be the EEC's failure to reach a common position on reform of the burgeoning wine regime.

Yesterday, foreign ministers remained deadlocked over how to rein-in wine production now costing the Community over Ecu 1bn (£590m) a year. The problem goes to the root of the accession negotiations with Spain and Portugal as the Community's failure to agree means no proposals can be presented to the candidate countries.

The decision of the Irish Premier to visit the key capitals suggests growing fears that the Dublin summit will be dominated by Community wrangling over the fine details of the enlargement negotiations.

Dr FitzGerald indicated in Brussels last week that he was anxious to concentrate the summit on far-reaching questions of how to speed progress towards greater European integration. The heads of government were expected to discuss an interim report of a special committee set up after the Fontainebleau summit in June to look into institutional affairs and Community reform.

But the total failure this week by foreign ministers to make substantial progress on Community enlargement may mean that the summit will have to spend its time to reaching common Community positions on such issues as ways to integrate Spanish wine and fruit and vegetable producers into the Community's agricultural programmes along with measures to accommodate Spanish fishermen.

Paris seeks more UK commitment to EEC

By David Housego in Paris

DIFFERENCES of approach between Britain and France over ways to strengthen the European Community are expected to emerge at the annual Franco-British summit meeting which opens in Paris today. East-West relations are also expected to figure in the discussions.

Mrs Thatcher is bringing with her a large ministerial team for the two-day talks with President Mitterrand which mark the ninth in the series of bilateral summits. The meeting falls just before the EEC heads of government meeting in Dublin and is the first for some time that will not be marred by the acrimonious quarrel over the British budget contribution.

Following the settlement of the budget issue at the EEC summit at Fontainebleau in June, the French Government is now looking to Mrs Thatcher for what French officials describe as "concrete signs of Britain's commitment to Europe." In the French view this means giving priority to the strengthening Community institutions.

In particular, the French Government would like to see the authority of the EEC Council of Ministers reinforced in its dealings with national administrations and the role of the European Commission redefined.

French emphasis on the importance of institutional reforms is not shared by Britain which has been campaigning for first priority to be given to removing barriers to trade within the EEC so as to make the Common Market a reality.

French scepticism over Britain's "commitment to Europe" has also been reinforced by Britain's continuing refusal to join the EMS and by British coolness towards enlarging the role of the Western European Union —in French eyes a significant step towards greater European defence co-operation.

The two sides hope to draw up a list at the end of the summit of major projects on which companies from both countries are involved. Among the most important is the fast breeder reactor, the European Airbus, helicopter and aero-engines, the cross-Channel electricity link, multiple launch rocket systems, anti-tank guided weapons and the European fighter aircraft.

Le Monde strike ends

Le Monde, the French daily newspaper reappeared on the streets yesterday after a two-day strike by administrative staff that halted distribution, David Housego reports. But the papers' problems remain far from solved. Unions none the less agreed last night against further strike action before December 6 — a key date as a "general assembly" on the paper's future is to be held the following day.

Athens to cut taxes, spend more

BY ANDRIANA IERODIACONOU IN ATHENS

THE 1985 Greek budget will attempt to reconcile ambitious new health, welfare and education spending and sweeping tax cuts for middle and lower-income groups, with keeping the deficit at this year's level of 10.2 per cent of gross national product Mr Gerassimos Arsenis, the Socialist Economy and Finance Minister, announced yesterday.

The Government says it hopes to finance next year's expenditure through increased tax revenues. Independent economists, however, believe the Government will have to resort to increased borrowing. The net public-sector borrowing requirement has stood at a stubborn level of about 13 per cent of GNP for the past two years.

According to Mr Arsenis, the tax cuts – mainly affected through a revision of the current income-tax scale, and increased tax credits – will cost the state an estimated Dr 25bn ($200m) in revenues. Nevertheless, the Government expects overall receipts from direct and indirect taxes to increase by 31.5 per cent in 1985, through more effective control of tax evasion.

The budget also cites "the natural increase in revenues due to the continuing recovery and the consequent increase in incomes," in 1985 as a factor in the Government's calculations.

The Government is also to impose a value-added tax on cigarettes for the first time in 1985, as well as a new tax on airline and other tickets for travel from Greece. Mr Arsenis said that would add about Dr 500 to a ticket having an overall value of about Dr 45,000.

Still on the earnings side. Greece expects net receipts from the EEC to increase from approx Dr 88.3bn last year to Dr 99.7bn in 1985, a 12.9 per cent increase. The budget notes that the rate of increase will have declined slightly compared with 1984, but points out that the projected EEC receipts do not include money Greece expects to get from the Integrated Mediterranean Programmes (IMPs), the adoption of which Athens now says it regards as a precondition for agreeing to Spanish and Portuguese accession.

According to Mr Arsenis the Government hopes Greek exports, which picked up significantly in 1984, will continue to do well next year, and said he also expected a possible improvement in invisible earnings from shipping.

Mr Gerassimos Arsenis: tax on air tickets

The 1985 budget foresees an approximately 25 per cent increase in expenditure for public investments, which are expected to continue to lead the recovery of the economy. Mr Arsenis, who in the past has scotched suggestions that the Government would loosen its belt in 1985 because of the general elections that must be held in Greece by October of next year, insisted that the budget was drawn up "in a spirit of discipline."

He said the Government resisted the opportunity offered by high bank liquidity, which is due to depressed private sector demand for capital, to run much higher deficits next year. Keeping the current account deficit steady at present levels, of about $2bn, was "the decisive limiting factor" in deciding this year's deficit, he said.

According to Mr Arsenis the Government decided that it had to begin tackling areas of neglect in the health, welfare and education sectors. The 1985 budget foresees a 38.7 per cent increase in spending to set up both an improved system of welfare benefits, and a national health plan, involving the establishment of a network of health centres in the provinces. Education spending will rise, 30.1 per cent and the defence budget is expected to increase by 19.1 per cent.

The 1985 budget forecasts that the cost of servicing the total, domestic and foreign, public-sector debt will increase by 41.5 per cent next year. According to the latest Bank of Greece figures, which are for the end of 1983, the overall public debt accounts for about 49 per cent of GNP in Greece.

Giscard, Fabius clash on New Caledonia

BY DAVID HOUSEGO IN PARIS

THE DETERIORATING situation in New Caledonia, France's Pacific colony, spilled over further into French domestic political life yesterday when former President Giscard d'Estaing clashed with M Laurent Fabius, the Prime Minister, in the National Assembly, when he proposed that the territory should be given the choice between independence and integration into France.

It was the first time that M Giscard d'Estaing had spoken in a National Assembly debate since being re-elected to the Assembly in September. He chose to do so in the role of a former French president who had been entrusted under the constitution with maintaining the territorial integrity of France.

The opposition are accusing the Government of defying the wishes of the majority of the newly elected National Assembly on the island, who want New Caledonia to remain part of France.

In the elections on November 18, the right-wing and largely European Rassemblement pour la Calédonie dans la République party gained 71 per cent of the votes. However, half the electorate abstained in support of the FLNKS movement, which urged voters to boycott the election.

The FLNKS represents militant Melanesian nationalism and is calling for independence. Since the election 10 days ago, half the territory has been blockaded by supporters of the independence movement. The French Government has sent about 1,400 police reinforcements and promised to bring forward its proposed referendum on self-determination.

In the National Assembly yesterday, M Fabius said French policy towards New Caledonia had been characterised by doing "too little and too late."

Although New Caledonia is far away, the events unfolding there bear directly on the political conflict between left and right in France.

The Gaullist RCPR in New Caledonia wants to stave off any moves towards independence before the 1986 legislative elections in France. It believes that the right will win those, and that independence can thus be further postponed.

The FLNKS is by the same token anxious to obtain real steps towards independence before 1986, and the possibility of a return to power of the right in France.

Yugoslavs lift curbs on most prices

By Aleksandar Lebl in Belgrade

THE YUGOSLAV federal parliament yesterday approved laws removing almost all price controls on goods and services from next year.

The remaining exceptions are energy, railway tariffs and telecommunications, although prices in those sectors too will be adjusted to general price movements. At present only 55 per cent of prices are free of controls.

The change is expected to accelerate inflation in the first half of 1985 to a peak exceeding 70 per cent on an annual basis. However, the Government hopes that the year-end-to-year-end rate will be slightly lower than the 1984 rate, which in turn is forecast to be somewhat less than the 1983 rate of almost 60 per cent.

The anticipated acceleration in inflation poses a problem for the Government in implementing its pledge to the International Monetary Fund to increase interest rates to 1 percentage point above the rate of inflation on April 1 next year.

Irish interest rates expected to rise

INTEREST RATES in Ireland are expected to rise shortly, perhaps by as much as 2 per cent, despite the general easing of international rates, writes **Brendan Keenan in Dublin.** The leading Irish banks may meet the Central Bank tomorrow to seek permission for an increase.

The prospect of ordinary overdraft rates' rising to 17.25 per cent is alarming the Government, business and the banks. The main banks have been writing off more than I£50m ($50.5m) a year in bad debts recently. They fear an increase in interest rates might cause more failures.

Seoul asks North Korea to return to talks

By Steven B. Butler in Seoul

SOUTH KOREA yesterday responded to North Korea's postponement of talks on bilateral economic co-operation by asking it to agree to a meeting on January 17.

Mr Kim Ki-Huan, the Chief South Korean delegate, sent a polite though pointed message to his North Korean counterparts accusing their country of *distorting the facts surrounding* last Friday's shooting incident, at Panmunjom. North Korea has said the shooting resulted from "provocation from the southern side," and cited it as a reason for postponing the talks.

Mr Kim insisted that North Korea took responsibility for the incident, and said if it were sincere about the talks it would attend the meeting on December 5, of which both sides had originally agreed on. Failing that, the two sides could meet on January 17.

Tough poll test today for SA Government

South Africa's ruling Nationalist Party (NP) faces a tough challenge from the right wing conservative party (CP) today in four by-elections for the white House of Assembly (parliament), writes Anthony Robinson in Johannesburg.

Peking 'must listen to Hong Kong'

BY DAVID DODWELL IN HONG KONG

HONG KONG's colonially-appointed political leaders said yesterday that local people have to come to terms with the fact that they will soon be subject to Communist Chinese rule, despite assurances of a high degree of local autonomy.

At the same time, they said Britain's main task between now and 1997 is to ensure a smooth transition, while Peking "must demonstrate its willingness to listen to the views and wishes" of Hong Kong people.

In a statement prepared for British MPs ahead of parliamentary debates early in December on the draft Sino-British agreement on Hong Kong's future (Peking resumes sovereignty in 1997), lay members of the territory's two ruling bodies, the executive and legislative councils, called for "understanding and sensitivity" from Britain and China.

They asked for a firm commitment to the agreement "in both letter and spirit."

They said the Sino-British agreement, forged after two years of secret negotiation in Peking, was "acceptable as a whole" to Hong Kong people, but said there was concern over numerous points of detail.

Publication of the statement coincided with an announcement in Whitehall that Mrs Thatcher, Britain's Prime Minister, will travel to Peking on December 18 with Sir Geoffrey Howe, her Foreign Secretary, to sign the agreement. She will fly on to Hong Kong two days later to talk with political and community leaders.

MPs are likely to take careful note of the statement from Hong Kong's "unofficials," as the lay-politicians are known locally, since a document they presented to Westminster in May, when the Sino-British agreement was still under secret negotiation, caused controversy both in London and Hong Kong.

The latest statement is to be taken to London on Friday by a 12-strong delegation of "unofficials" as they lobby British MPs ahead of the parliamentary debates on Hong Kong.

In it, they have said that local people remain anxious about the possibility of interference from Peking after 1997; about the possible introduction of conscription and the stationing of Chinese troops in Hong Kong; and about the international acceptability of post-1997 passports and the rights of British nationals.

The preservation of human rights, and "possible incompatability" between China's constitution and that of post-1997 Hong Kong were also sources of concern, they said.

While China has promised that the future Hong Kong Special Administrative Region (SAR) will have a "high degree of autonomy," the "unofficials" said Hong Kong people will have to get used to the fact that they will in future have a "subsidiary relationship" with Peking.

They called on the Chinese Government to allow Hong Kong people to take part in drafting the basic law that will replace Hong Kong's present colonial constitution.

China predicts 7.5% rise in steel output

BY MARK BAKER IN PEKING

CHINA HAS predicted that its steel output will reach 43m tonnes this year, a rise of 7.5 per cent from last year.

The Ministry of Metallurgical Industry has announced that annual targets for iron and steel production have already been surpassed.

It said that by mid-November steel production totalled 38.61m tonnes, up 8.9 per cent from a year earlier, pig iron output was 35.57m tonnes, up 7.3 per cent, and rolled steel was 30m tonnes, up 9.6 per cent.

China produced 40.2m tonnes of steel last year to make it the world's fourth largest producer after the Soviet Union, Japan and the U.S.

The Ministry attributed the growth this year to the Government's decision to expand the decision-making powers of enterprises and the development of worker incentives.

The growth has been achieved despite the fact that most of China's steel plants are ageing and relatively inefficient.

The refurbishing of steel mills will be one of the priorities of the seventh five-year plan, beginning in 1986. China has already signed technical co-operation agreements in this field with the U.S., Australia and Brazil.

The Ministry said that despite the growth in production, the iron and steel industry was still falling short of the demands of light industry and the automotive, building and machinery industries.

China has 13 large iron and steel mills with a capacity of over 1m tonnes a year.

A plant with an eventual capacity of more than 6m tonnes of steel a year is due to begin production at Baoshan, on the outskirts of Shanghai, next September.

Damascus seeks arms supplies from West

By Paul Betts in Damascus

SYRIA IS seeking sources of arms supplies other than the Soviet Union and has contacted a number of West European countries, including France and Britain, with an extensive shopping list for military equipment.

French officials in Damascus for the visit there by President Mitterrand confirmed yesterday that France would supply Syria with 15 Gazelle anti-tank helicopters to replace those destroyed in 1982 during the war in Lebanon. This will bring back to 50 the number of Gazelles in the Syrian forces.

Western sources in Damascus confirmed that Syria had contacted several European capitals, including London, in an effort to make major purchases of military equipment, including tanks, from the west.

● President Mitterrand's state visit to Syria has helped thaw relations between Paris and Damascus, but failed to produce any concrete initiatives towards a solution to the Middle East conflict.

Both countries continued to maintain divergent views on several key issues but agreed to respect each other's different positions.

Theatrical Arafat sets stage for re-election

BY ROGER MATTHEWS IN AMMAN

MR YASSIR ARAFAT set the stage for his re-election as Chairman of the Palestine Liberation Organisation yesterday with a spectacular 2 am resignation, followed eight hours later by a triumphal appearance before the delegates attending the Palestine National Council, the movement's parliament in exile.

Mr Arafat's manoeuvre appeared designed to win a demonstration of popular support before last night's final session of the PNC which was expected to continue into the early hours of this morning.

Jordanian television coverage of yesterday's events, which included a standing ovation for Mr Arafat, has been beamed to both the Israeli occupied territories, where over one million Palestinians live, and to Syria, where the Government and dissident Palestinian factions are bitterly opposed to the leadership of Mr Arafat and the holding of the PNC meeting.

Mr Arafat claimed yesterday that it was only the vigilance of the Jordanian Air Force which had saved the PNC meeting in Amman from disaster. A Libyan Sukoi fighter bomber was at an air base in eastern Lebanon under Syrian control, he said. The intention had been for the aircraft to bomb the sports centre where the PNC sessions were held.

Mr Arafat also referred angrily to the small bomb which exploded outside a PLO office in Amman late on Tuesday night and to the fact that over 60 PNC members had been prevented by Syrian threats from attending the sessions.

Mr Arafat said that by holding the PNC meeting, the Palestinian people had answered these threats. However he was fully prepared to return to being an "ordinary soldier" if the delegates did not feel that he was leading them in the right direction.

Several independent members of the PNC were angered by Mr Arafat's theatrical behaviour. They stressed that the Executive Committee, chaired by Mr Arafat, had anyway to offer itself for re-election.

It is expected that the final resolutions of the conference will implicitly reject King Hussein's offer but will allow Mr Arafat considerable scope for further negotiations with the Jordanian monarch.

The news that an Arab Knesset member, Mr Abdel Wahab Darousha of the Labour Party, was on his way to Amman to address the PNC meeting sparked off an uproar in the national unity Government and the Knesset yesterday, writes David Lennon in Tel Aviv.

The fact that Mr Darousha said he intended to call on the PNC to revoke those clauses in the Palestinian national charter that demand the liquidation of Israel did little to defuse the anger, which was most pronounced on the political right wing.

Mr Darousha is a representative of the 700,000 Palestinians who have remained within the borders of Israel since 1948. His move is seen as a worrying indication of Palestinian national consciousness among these "Israeli Arabs."

Pakistan loses out on expats' earnings

John Elliott on the levelling off of remittances from workers in the Middle East

STREAMS of workers returning from the Middle East clutching stereo recorders and other electronic symbols of newly-acquired wealth have become a common sight at the airports of Pakistan and other south Asian countries. After years of steadily growing demand, however, it seems that the Middle East countries' appetite for imported workers may at last be levelling off.

This will have important consequences for Asian economies as remittances cease to grow and less surplus labour is siphoned off. The effects are already being felt in Pakistan.

"The boom in the outward flow of migrants from major labour exporting countries of Asia may be thinning out. The reverse flow has started, though it has not yet developed into an exodus," says an article on the latest edition of the International Labour Office's review.

In a separate report on return migration to Pakistan the ILO estimates that there are about 3m migrant workers in the Middle East, 1.9m of them from Pakistan.

Dr Mabubul Haq, Pakistan's Planning Minister, says his country's remittances are estimated to have dropped by at least 3-4 per cent in 1983-84, after rising by 30 per cent in 1982-83 to an annual figure of just over $3bn (£2.5bn). In the previous few years growth averaged 20-25 per cent.

However, despite substantial expenditure by those returning home on electronic gadgets and other prestige consumer items, Dr Mabubul Haq estimates there is another $10bn being held outside the country which can be tapped for job-creating capital investment in Pakistan.

Many Pakistanis returning home are expected to want to invest in their own business, probably in urban areas, rather than become employed or return to villages where about two-thirds of them originally lived. A study by the Government's overseas Pakistanis' foundation estimates that 63 per cent of those returning want to set up in business or trade.

The Pakistan Goverment is studying ways of encouraging business ambition possibly by setting up a corporation to start individual small businesses that would then be sold to those returning home.

The latest ILO review however warns that stronger measures are needed to channel remittances into productive investments, to influence those returning home to invest in labour intensive activities, and to expand the potential for learning new skills.

"Unfortunately there is little evidence of this happening in any of the major labour exporting countries of Asia," says Mr Manolo Abella of the ILO's Asian regional programme who wrote the article after studying policies in Pakistan, India, Sri Lanka, Bangladesh, Indonesia, Korea, Philippines and Thailand.

The estimated 1.9m Pakistanis working in the Middle East is a significant slice of the country's 23m workforce. During the 1978-83 fifth five-year plan period, about one-third of the increase in the country's labour force was absorbed by this overseas emigration.

But the ILO report estimates that net migration (the amount by which the numbers leaving Pakistan exceed those returning) will total only 240,000 to 310,000 in 1983-84, far less than the 550,000 estimated when the new five-year plan was drawn up last year.

This is the first sign that the boom period may be over, although there will still be some growth in the total numbers—the ILO report estimates that a total of 4.7m migrant workers in the Middle East in 1982 has risen to 4.9m this year, and will still go up to 5.9m by 1990.

Pakistanis make up just over 36 per cent of the current total and are concentrated in five countries: Saudi Arabia (59 per cent); the United Arab Emirates (15 per cent); Qatar (8 per cent); Kuwait (6 per cent); and Bahrain (3 per cent).

Pakistan benefits from being able to supply Moslem labour to these Islamic countries and from its close political ties with Saudi Arabia in particular. But its labour faces stiff competition from other Asian countries.

The report estimates that the country's share may drop from 36.5 per cent this year to 33.5 per cent by 1990, although the total number of Pakistanis involved would increase from an average now of 1.8m to 2.3m.

The ILO estimates that approaching 80 per cent of the Pakistanis are production workers, half of them unskilled labourers who will continue to be needed to do manual jobs.

Nearly a third of the production workers are skilled people such as electricians, plumbers, mechanics, carpenters, and masons, who may be the first to return. They will be welcomed back to Pakistan because their absence abroad has robbed many parts of Pakistan's slowly emerging manufacturing industry of the country's best skilled people.

Pakistan relies more heavily than its neighbouring south Asian countries such as India and Bangladesh on the earnings of its Middle East workers. The disappointing remittances in the 1983-84 financial year have upset the balance of payments and employment projections in the country's sixth five-year plan, which began only a year earlier.

President Zia ul-Haq, Pakistan's military ruler, acknowledges that the tide has probably turned on remittances: "One day remittances will vanish, but that day is not too near."

However, the changes will be cushioned by the expected continuing demand by Middle East employers for unskilled labour. As one Pakistani government official put it: "The major trauma will come when the Arabs start polishing their own shoes."

Peru calls national state of emergency in advance of strike

BY ROBERT GRAHAM,

THE PERUVIAN Government yesterday declared a national state of emergency in advance of today's general strike called by the country's main trades unions in protest against petrol price rises and food subsidy cuts.

The state of emergency, to last for 30 days, suspends key constitutional rights, like assembly, and empowers the security forces to raid homes and detain without warrants.

The Government of President Fernando Belaunde did not explain why the state of emergency would last for up to one month. The move comes at the beginning of the campaign for presidential elections in March.

President Belaunde is anxious to show the military he retains control to prevent it from stepping in.

In southern Peru round Ayacucho a state of emergency already exists as a result of the activities of the Maoist guerrilla organisation, Sendero Luminoso (Shining Path).

Part of today's intended strike was to protest against human rights abuses by the armed forces in their fight against Sendero Luminoso. The strike, organised by the powerful communist controlled General Workers Confederation is the sixth in President Belaunde's four-year term.

The unions want petrol prices to be frozen, so inhibiting what the Government regards as the most effective direct taxation.

The drastic move by President Belaunde marks a week in which two other Latin American governments, Bolivia and Panama, are also facing growing social unrest over moves to impose tougher austerity measures to reduce public sector deficits and heavy foreign debts.

Chile strike call fails as troops continue patrols

BY MARY HELEN SPOONER IN SANTIAGO

CHILEAN ARMY troops continued to patrol several working-class and industrial sectors of Santiago yesterday as the country's opposition groups unsuccessfully called for a general strike against General Augusto Pinochet's military régime.

At least five explosions were heard in separate parts of Santiago on Tuesday night, despite the extensive military and police presence. During the day, soldiers confiscated the film of several foreign television crews and photographers attempting to cover university student disturbances.

The Government sent letters to all visiting and resident foreign journalists advising them that their Government-issued Press credentials had become invalid.

The reporters were instructed to turn in their credentials. Officials indicated that the cards would be stamped and later returned.

The Chilean news media, meanwhile, remains under severe Press restrictions and has made no mention of Monday's protest and yesterday's unsuccessful strike.

The heavy Government surveillance contrasted with the negligible public reaction to the strike and protest. Most shops remained open, and while traffic in the capital appeared slightly reduced, public transportation was operating normally.

On Tuesday night passing military patrols fired warning shots into the air while soldiers stopped motorists at several traffic intersections, checking their documents.

Uruguay limits UK flights

BY MARTIN ANDERSON IN MONTEVIDEO

SR JULIO SANGUINETTI, Uruguay's president-elect, has said that his country will only allow stopovers of British aircraft en route to the Falklands Islands in the case of emergencies.

In an interview at his home on Tuesday, Sr Sanguinetti also said Uruguay would continue to support Argentine claims to sovereignty over the islands.

"Uruguay has always supported a negotiated solution to the sovereignty question," he said.

"We recognise Argentine rights to the islands, although we criticised—and would do so again if need be—the methods Argentina used to recover them. We have also questioned the armed policies of Great Britain in the south Atlantic."

The centre-right Colorado Party politician, who on Sunday won nearly 40 per cent of of the vote in the first presidential elections here in 13 years, also said his Government would follow a non-aligned international stance emphasising "a maximum of solidarity" with its Latin neighbours.

Sr Sanguinetti added that his party supported the Contadora peace process in Central America.

Referring to the country's foreign debt—said to be \$4.6bn (£3.8bn)—as one of Urugay's principal problems, Sr Sanguinetti conceded it was impossible to bypass the International Monetary Fund in the re-negotiation process.

"The fundamental thing in our relations with the IMF is that they don't impose, and we don't accept, conditions that will put us under their thumb and demands that will damage our society."

Bank bows to church over sale of Krugerrands

By Bernard Simon in Toronto

The Bank of Nova Scotia, Canada's fourth largest bank, has bowed to pressure from anti-apartheid groups by relinquishing its position as the sole wholesale distributor of Krugerrand gold coins in Canada.

In a statement announcing that it will no longer buy coins directly from the South African Chamber of Mines, the bank said that it has "always made clear that it has an absolute repugnance of racism in any form."

The bank earlier stopped advertising Krugerrands. An official said yesterday it would continue selling the coins to retail customers who ordered them.

Four Canadian church groups, which between them own about 250,000 Bank of Nova Scotia shares, have regularly raised the issue of the bank's involvement with South Africa at annual meetings.

They had given notice of a resolution at next January's meeting calling on the bank to withdraw as a Krugerrand distributor.

An official of the Canadian conference of Catholic Bishops said the bank's decision "will send a signal to the international financial community that there is increasingly less enthusiasm" for measures supporting the South African Government.

Mr Ken Watson, President of New York-based International Gold Corporation, the Chamber of Mines' North American marketing arm, said the bank's withdrawal "is obviously a blow to us." But he said the bank had recently bought only a minor share of the 100,000 ozs of Krugerrands sold each year in Canada.

The South African Government recently complained to Gatt, the General Agreement on Tariffs and Trade, that the province of Ontario was discriminating against Krugerrands by levying a sales tax on the coins which does not apply to the Maple Leaf coins produced from Canadian gold output.

Bank of Nova Scotia has in the past been identified as the most sympathetic of the big Canadian banks towards South Africa.

U.S. 'doubles aid for Afghan rebels'

THE New York Times reported yesterday that \$280m (£233m) in covert U.S. aid has been earmarked for insurgents in Afghanistan this fiscal year, double the amount for the year ended October 1, Reuter reports from New York.

The Times, quoting U.S. officials, said the current funds would bring to \$625m the total U.S. aid to the rebels

There was no immediate comment on the report from Reagan Administration officials.

Reagan warns Moscow over ships

PRESIDENT Ronald Reagan said in an interview published yesterday that six Soviet ships were en route to Nicaragua and warned Moscow that Washington could not accept the introduction of MiG planes into Central America, Reuter reports from Washington.

Reginald Dale and **Terry Dodsworth** look at reactions to the tax reform proposals

White House takes cover as tax storm breaks

OUTLINING HIS controversial proposals for sweeping reforms in the U.S. tax system on Tuesday afternoon, Mr Donald Regan, Treasury Secretary, warned that the first reaction would be a tidal wave of protests from special interest groups, each warning that the plan spelled "calamity" for them.

The wave was already beginning to break yesterday, as business interests, trade unions and state and local authorities started castigating the items that would most affect them. Ironically, Mr Regan himself encouraged the outcry. "This thing was written on a word processor," he said, "it can be changed."

The plan, dubbed by some tax experts the biggest change since the introduction of income tax in 1913, would reduce corporate and individual tax rates—lowering personal tax payments by an average 8.5 per cent—and then reclaim the difference by increasing the tax burden on many big corporations and closing individual and corporate loopholes.

In Washington, it was seen as a major reversal of the philosophy behind President Ronald Reagan's initial tax reforms of 1981, which favoured big business and the rich. This time, the Treasury said, the poor and the middle classes would be the main winners, the rich, the banks, financial institutions, big oil, real estate and heavy "smokestack" industry the main losers.

Among those powerful groups, of course, are to be found many of Mr Reagan's principal backers, and some of the nation's most devastatingly influential lobbyists. The general view in Washington yesterday was that unless Mr Reagan quickly took a firm and decisive lead in backing the plan, it was in danger of foundering under the special interests' assault.

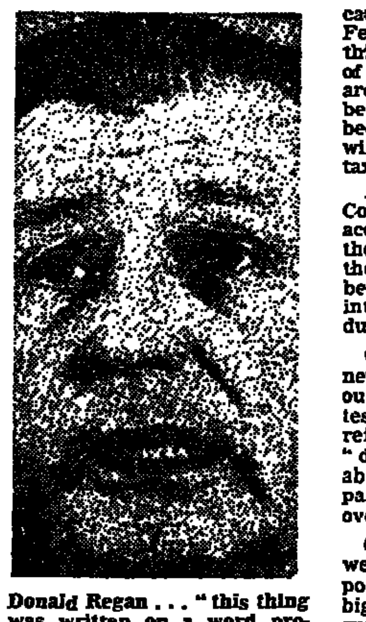
Others viewed the proposal as a giant trial balloon, to see which parts Mr Reagan could personally endorse without fear of a major Congressional defeat.

Mr Reagan has himself encouraged such a reaction by standing largely aloof from the plan, making it clear that, at least for the time being, it is the Treasury's baby, not his. The White House has said that he will not announce his final decisions on the recommendations until he gives his State of the Union address in the second half of January, and that at that point he may come up with something different.

On Capitol Hill many Congressmen, while welcoming the overall idea of tax simplification, believe that many of the plan's more unpopular provisions will by then have received such a drubbing as to be politically unrevivable. Republicans will be loth to endorse the more controversial provisions unless they can be sure of Mr Reagan's support, while the Democrats are feeling distinctly wary of any tax reforms following the disastrous attempt by Mr Walter Mondale, their Presidential candidate, to raise tax increases as a popular issue in the autumn campaign for the White House.

The U.S. financial and business community was hard put to find anything positive to say about the Treasury flat tax proposals yesterday. The broad consensus was that this supposedly "neutral" tax would result in higher effective payments for the corporate sector, and that the changes would cause a great deal more trouble than they were worth.

Economists on and off Wall Street, however, broadly agree that a flat tax would have a favourable impact in bringing down interest rates. The lowering of incentives for individuals to borrow on credit cards, or finance acquisitions of real estate or pleasure boats, would be expected to reduce private indebtedness.



Donald Regan . . . "this thing was written on a word processor—it can be changed"

At the same time, in the corporate sector the proposed system could also reduce borrowing pressures by reducing the incentives to take on debt to finance new spending.

In particular, it would be likely to undermine much of the activity in leveraged deals (in which take-overs are financed with a large proportion of debt) which have been such a feature of Wall Street over the last year. Part of the stimulus for these acquisitions is the way in which profits can be virtually totally sheltered by the process of revaluing assets which are then subject to a rapid depreciation schedule.

On Wal Street, there is a general feeling that the equity market is now beginning to labour under the uncertainty caused by the talk of tax reform. Few analysts are willing to tie this down to the performance of individual stocks, but there are several reports of deals being postponed until it becomes clearer which sectors will benefit and lose from any tax changes.

According to Mr Stephen Corrick, tax partner at the accountants Arthur Andersen, the main losers as a result of the Treasury proposals would be the real estate sector, capital intensive companies, the oil industry and small businesses.

Of these, the oil industry, never slow off the mark, let out a predictable howl of protest yesterday, saying that the reform package could have a "devastating effect" on the ability of domestic energy companies to prevent "dangerous overdependence on foreign oil."

Capital intensive companies were less open in their response; possibly because they have been big beneficiaries of the present system of tax allowances, and therefore the main target of criticism. Some of these companies have paid very little tax in the past few years — indeed, according to the Citizens for Tax Justice pressure group, several of the U.S's biggest groups, including General Electric, Boeing, Dow Chemical, Tenneco and Du Pont, have paid no federal income tax at all since 1981.

These companies would be hit by the elimination of the investment tax credits and the accelerated cost recovery system (which reduced taxable profits through a larger depreciation charge) introduced in 1981.

The Conference Board, the influential U.S. business association, said yesterday that the depreciation allowances in particular had been helpful to certain industries. Companies had also fought very hard for these concessions, and would react vigorously against their withdrawal.

Mr Stu Schweitzer, an economist at the Morgan Guaranty Bank, said that the expansion of the last two years had been accompanied by larger capital outlays than might have been expected, mainly because of the 1981 tax changes.

Small business, which has been the main driving force of new job creation in recent years, would be likely to suffer from the elimination of the special low tax rates on the first \$100,000 of taxable income. These schedules can go as low as 15 per cent, and some economists believe they are partly responsible for the vigorous growth of small, entrepreneurial companies in recent years.

Even the high technology and service sectors are not seen as great beneficiaries from the proposed changes.

For the time being, however, Wall Street and much of the corporate sector seem to regard the discussions in Washington as a trial run, the first scene in the annual poltical theatricals which they watch with a certain detached amusement.

In a recent paper, indeed, Mr Schweitzer argued that the Treasury would run into fatal opposition to the flat tax idea. Faced with the need for a compromise, Congress would start thrashing around for an alternative sometime next year, and ought then to look at a sales tax.

The sales tax is probably Wall Street's favourite, because it is seen as easy to administer, and simple to turn on and off as the need arises. Certainly most of the betting in the business world would be against the Treasury proposals getting through in anything like their present form. "I think the White House is trying to run away from it before the ink is dry," said one economist yesterday.

Ian Hargreaves meets Alick Buchanan-Smith, British Energy Minister

Political salesman tackles the oil industry

Mr Alick Buchanan-Smith, Britain's sprightly, fresh-faced Energy Minister, learned the trade of political salesmanship when he was junior minister in Mr Peter Walker's Ministry of Agriculture.

Now that Mr Walker is Energy Secretary and Mr Buchanan-Smith, 52, his junior in that department, the persuasive techniques which once promoted new British cheeses are being deployed in the interests of the oil supply industry.

Mr Buchanan-Smith leaves for China today at the head of a mission of oil industry people. Mr Walker made a similar trip just a year ago and since then the Chinese have sent no fewer than 20 energy delegations to Britain, their activities co-ordinated and stimulated by the Government's Glasgow-based Offshore Supplies Office, which last year set up a special China unit.

Mr Buchanan-Smith led a similar mission to India this year and may mount one to Canada. Africa, too, he suggests, is an area where political backing for an offshore oil industry sales drive looks attractive.

"I was very struck in India by the position of Compagnie Francaise des Petroles as consultant to the state oil company. That has brought huge benefits for French companies as a whole. It is vital to be in early."

The task he has set himself is of no small importance. "My role is to make possible an extension of the life of the UK offshore supplies industry, beyond the development of our own continental shelf."

The role, he says, is pressing in the sense that Britain has at present a very small place in the international oil supply industry. It also appeals to him personally as one of the three MPs for Aberdeen. The centre of the UK oil industry. A dairy farmer, Buck-Smith (or occasionally Bucks Fizz) as he is known in the oil industry, brings a touch of the clan wars to his mission.

> 'My role is to make possible an extension of the life of the UK offshore supplies industry beyond the development of our own continental shelf'

His strategy, however, involves rather more than door-opening for industrialists in foreign countries. Because the Energy Department also controls the licensing of UK oil development, Mr Buchanan-Smith is able to attack the problem form two angles.

At home, the government has written into the terms for the shore oil licensing a stiff requirement that all applicants demonstrate firm commitments to research and technology in the UK. It is only one of several criteria on which candidates are assessed but, he says: "If somebody scored zero on this one, they would have to do extremely well on other points to qualify."

To back up its efforts at home, the government is also using the Offshore Energy Trade Board to devise a series of new technology targets for the industry. Having identified targets, the government also hopes to be better able to monitor progress.

So far, Mr Buchanan-Smith admits, progress is less than concrete. The India mission has produced agreement in principle to set up a joint government-to-government oil and gas commission. Some British companies have won Indian contracts and some, like the Wood Group, have recently made major expansions abroad. There is also hope, he thinks, in new alliances like that between Trafalgar House and Davy in heavy offshore engineering.

Equally, however, there has also been a spate of foreign, mainly U.S. takeovers of British companies in the offshore sector, which critics of the government say is partly a result of the ninth round technology rules.

"That is going to have to be watched," says the minister, confessing some sadness at recent developments. "But the key thing is to anchor this technology in Britain. Those who buy our technology and use it in the North Sea are going to have to try to keep it British."

Judgment reserved on Singapore copyright

BY CHRIS SHERWELL IN SINGAPORE

A Singapore High Court judge has reserved judgment in a major copyright case, brought by a group of British publishers, which involves alleged book piracy.

The case has raised an important constitutional question in Singapore and its outcome will have significant implications, not only for the legal profession but for booksellers and dealers in audio and video cassettes and computer software.

The island state's growing reputation as a centre of book, music and software piracy is said to stand or fall on the outcome of this case.

The key issue is whether the textbooks and music involved in the case are entitled to copyright protection under the Copyright Act which was passed in Britain in 1911 and proclaimed a year later in Singapore, then a British possession.

The publishers, suing on behalf of the Publishers Association, say the works are entitled to copyright protection because the 1911 Act continues in force in Singapore, even though it has been supplanted in Britain by further legislation and Singapore has become independent.

The defence maintains that the law was no longer the same after Singapore's independence, which followed its break with Malaysia in 1965. This was because the authority behind it had changed and it had not since been specifically adopted.

The case focuses on Mr Ng Sui Nam, a local bookseller who is alleged to have sold pirated copies of books first published in the UK. In April he was fined S$2,000 (£740) for contempt and ordered to pay costs after infringing an injunction restraining him from selling counterfeit works.

The injunction was ordered in 1982 pending trial of the case now before Mr Justice L. P. Thean in the High Court. The publishers, represented by Mr Gavin Lightman, QC, include Butterworth; Longman, Stevens and Sons; Sweet and Maxwell; Lloyd-Duke (Medical Books).

Mitsubishi and Ford agree to make and sell satellites jointly

BY ROBERT COTTRELL IN TOKYO

MITSUBISHI Corporation and Mitsubishi Electric Corporation of Japan said yesterday they have agreed to produce and sell satellites jointly with Ford Aerospace and Communications Corporation of the U.S.

Mitsubishi Corporation is Japan's largest general trading house. Mitsubishi Electric is the country's third largest integrated electrical machinery maker. Both are members of the loosely knit Mitsubishi group. Ford Aerospace is a division of the U.S. car manufacturer.

The agreement provides for Mitsubishi Electric to act as prime contractor on half-ton satellites and Ford to act as prime contractor on one-ton models, with each company supplying major components to its partner. Mitsubishi Corporation will assist the two manufacturers in marketing the satellites.

The agreement is the first comprehensive satellite production and sales tie-up between Japanese and U.S. companies, though several of Japan's larger companies have been seeking international partners in service and space-related fields. Mitsui and Co and C. Itoh, two other large general trading houses, next month begin a three-way study with a subsidiary of the U.S. Hughes Aircraft Corporation on the feasibility of jointly launching a Hughes-built communications satellite and leasing-out its services.

Mitsubishi Electric said the structure of the agreement with Ford does not require formation of a new joint-venture company. No details were yet available on how many satellites the three companies hoped to produce and sell.

The deal is seen in Japan as a possible aid to reconciling foreign pressure for Japan to buy satellites from the U.S. or Europe, with domestic pressure for Japan to develop its own space technology.

U.S. and European lobbies argue that they can offer Japan better, cheaper and proven space technology and that Japan should buy more of it to offset its trade surplus in other manufactured goods.

Europe's Ariane / Aerospatiale group has been trying, without much apparent success in recent months, to sell Japan a meteorological satellite for Y14bn (£45m) including launch, claiming to offer a Y6bn (£19m) saving on the satellite launch which Japan plans in its own meteorological satellite programme.

Japan's major space project is the development of a wholly-domestic rocket, the H-II, capable of launching two-ton satellites. The Y200bn (£655m) H-II is due to be tested in 1991. Japan is also likely to seek its own self-contained module in the planned U.S. permanent space station.

The most promising market for satellite sales in Japan this decade is likely to be that created by substantial deregulation of the country's domestic telecommunications, due next year with legislation to privatise and curtail the monopoly powers of the Nippon Telegraph and Telephone Public Corporation.

ITT Corporation of the U.S. has finalised an agreement to provide Nippon Telegraph and Telephone of Japan with a digital PABX telephone exchange system based on ITT system 3100 technology, Reuters reports from New York. The contract covers 400 systems over two years and is valued at more than $12m (£10m). The first PABX system is being delivered this month and delivery of production quantities will start in December. NTT, the national telecommunications company in Japan, will supply the systems to its business subscribers under its own trademark.

BASF enters joint venture with Hungarian company

BY JOHN DAVIES IN FRANKFURT

BASF, THE West German chemical group, is entering into a joint venture with local partners in Hungary to produce polyurethane for domestic and export markets.

It is the first time BASF has taken a financial stake in a joint venture company in Eastern Europe. Earlier this year the chemical group opened its own office in Budapest to foster business relations.

BASF, through Elastogran, a wholly owned West German polyurethane subsidiary, will take a 49 per cent stake in the new Hungarian company, Kemipur Polyurethane Systems. Pemu, a Hungarian plastic products manufacturer, will take a 41 per cent stake in Chemolimpex, the Hungarian foreign trade company, will have a 10 per cent interest.

The Hungarian company will have capital of DM 4.4m (£1.18m) and will set up a plant which is due to start production in early 1986.

The plant will have capacity to produce about 10,000 tonnes of polyurethane materials a year for supply to other manufacturers for various uses, such as in making shoe soles, refrigeration, insulation and motor vehicle components.

About 20 per cent of polyurethane production is expected to be exported, although the potential markets have not been disclosed.

Pakistan negotiates oil deal after talks with Iran

BY MOHAMMAD AFTAB IN ISLAMABAD

PAKISTAN IS negotiating imports of 10,000 barrels of oil daily from Iran, after talks between senior officials of the two countries in Islamabad.

The talks also centred on new trade arrangements for next year. Dr Hossein Namazi, Finance and Economic Affairs Minister of Iran, and Mr Ghulam Ishaq Khan, Minister for Finance and Commerce of Pakistan, led the talks.

Saudi Arabia and the Gulf States continue to be Pakistan's main source of oil imports. Pakistani officials are expected to visit Tehran shortly to finalise the oil deal, including the price. Tehran has, for the past two years, supplied oil to Islamabad at a concessional price, because of the special "Islam and brotherly relations between the two nations," said a ranking official.

Islamabad's help to Tehran has been particularly appreciated by Iran because it has supplied a large quantity of consumer goods, including food, while Iran has been at war with Iraq. Pakistan not only provided a quick overland route, through its south-western province of Baluchistan which has common borders with Iran, but its shipping routes were also free from the effects of war.

Pakistan exported goods worth $332.7m to Iran in 1982-1983, which rose to $422.1m in 1983-84. Iranian exports to Pakistan were $90.1m in 1982-1983, which marginally declined to $89.1m in 1983-84.

Besides oil, Pakistan has been importing Iranian lead, zinc, sulphur, saffron, raisins, oilseeds and pharmaceuticals. Pakistan will also import from Iran in 1984-85 pharmaceuticals, glass wool, liquid gas in cylinders, automobile windscreens, and 100 Iranian-made buses.

Iran will export from Pakistan items, including textiles, rice, urea fertiliser, leather, barley, poultry, fishmeal and steel products.

The two ministers agreed to speed up creation of a joint Iran-Pakistan shipping company. Islamabad offered to build Iran's Zahidan-Kerman railway, which will further expand the carrying capacity of the Iranian railways.

China boost for foreign investors

China plans to extend the period for joint ventures with foreign companies to 40-50 years from 10 to 30 at present, the economic daily Nihon Keizai Shinbun said, Reuter reports from Tokyo.

It quoted state councillor Gu Mu as telling a Japanese business group in Peking that China will extend the period of new joint ventures for projects which need more time to recoup investments.

Leyland to bid for $500m Bangkok bus contract

BY CHRIS SHERWELL, SOUTH EAST ASIA CORRESPONDENT

BRITAIN'S Leyland Corporation is one of half a dozen international companies which will bid for a $500m (£416m) contract to reorganise and re-equip the Bangkok Mass Transit Authority, the agency operating the Thai capital's vast bus operations.

The deal is one of three major transport projects for this congested city of 7m people. Earlier this week, the Thai Cabinet approved in principle a $600m plan for a 37 km elevated rail system and a $250m proposal to extend Bangkok's expressway system.

The bus deal has progressed furthest, but it remains unclear whether all three projects will ultimately go ahead. The government has budget and foreign borrowing constraints and earlier this month devalued the local currency, the baht.

Companies expected to compete with Leyland for the bus contract include Van Houle of Belgium, Renault of France, Isuzu of Japan, Volvo of Sweden and Daimler Benz.

Taiwan may cancel zones

TAIWAN'S cabinet is likely to formally terminate proposals that the country develop long-discussed free-trade zones, writes Bob King in Taipei.

The zones were first proposed two years ago as possible competitors to similar operations in Hong Kong and Singapore, but the government agencies concerned failed to convince planners they would be workable in the light of existing immigration, security and foreign-exchange regulations.

Taiwan's Council for Economics Planning and Development has recommended that the cabinet scrap the proposal in favour of revamping existing export processing zones and a further liberalisation of regulations.

الكاتب الالى

Regional policy shake-up hopes to save £300m

BY ANTHONY MORETON, REGIONAL AFFAIRS EDITOR

THE GOVERNMENT intends to save £300m a year by 1987-88 out of the present budget of some £690m as a result of its review of regional policy announced in the House of Commons yesterday by Mr Norman Lamont, Minister for Industry.

The present three-tier structure of assisted areas will be merged into two, with the top-level special development areas disappearing.

The new top-tier, development areas, will qualify for 15 per cent automatic grants, as now, towards new plant and buildings. The second tier, intermediate areas, will get no automatic grants but will be eligible for selective assistance and EEC aid.

That amalgamation, and the consequent end of the 22 per cent rate in the special development areas, will save £150m. The other £150m will come from the Government's conforming with European policy and ending grants payable towards replacement plant and machinery.

By a careful drawing of the boundaries the Government has kept faith with its political supporters by giving assistance to many hard-pressed parts of the West Midlands. Birmingham, Coventry, Wolverhampton, Telford and Walsall become intermediate areas, the first time they have fallen within the assisted area programme. That reflects the sharp rise in unemployment in the area in the past five years. The West Midlands now has a higher rate of unemployment than Scotland.

Although many areas have been downgraded very few have been excluded altogether from the regional map.

Many places, however, have lost their entitlement to automatic grants, including Cardiff, Swansea and Newport in Wales, Dunfermline, Falkirk and the Western Isles in Scotland and Hull, Grimsby, Bradford, Doncaster and Rochdale.

As a result of the redrawing, though, more of the country's working population is now within assisted areas – 35 per cent compared with 20 per cent previously.

The result, according to Mr Lamont, is "to increase the effectiveness of regional policy and achieve better value for money in the regions with less adverse effects on the economy as a whole."

Not every member of the crowded Commons accepted his interpretation. Mr John Smith, opposition spokesman on industry matters, said the statement announced "the end of effective regional aid."

Editorial comment, Page 20

Job agency intends to cut staff by 950

BY WALTER ELLIS

THE SKILLCENTRE Training Agency (STA) of the Manpower Services Commission wants to close 29 of its 87 training centres, with the loss of 950 jobs.

Many of those whose jobs will disappear under the proposal, if it is endorsed by the commission at a meeting next month, are "industrial grade" workers. A number of instructors will also face dismissal. Some 300 of the planned redundancies will be compulsory.

The STA was set up two months ago and had a staff of 4,700 on June 1 last year. Now it has 3,900.

A statement published yesterday by the commission said the proposals were intended to update STA services and make them more competitive and market-related. The new national network of Skillcentres should be more "streamlined," with intensively used units taking over from a number that are considered under-utilised.

Mr Ron Stephenson, head of the STA, told a news conference yesterday that his agency was obliged under objectives set for it by the commission in January to recover its operating income in full from trading after 1986. He saw no irony in the proposed closures.

Redundancies would be carried out in full consultation with the trade unions, and the agency was confident of achieving its planned reduction with the minimum of hardship, he said.

The commission statement said that without the proposed cuts, the agency foresaw progressive loss of business to "more competitive training providers." Losses would rise from £12m in 1985/86 to £32m in 1987/88.

The cost of operating the proposed STA network is estimated at £70.5m annually, compared with £92.2m this year.

Three trade union leaders represented on the Manpower Services Commission, Mr Bill Keys, Mr Ken Baker and Mr Ken Graham, reacted angrily last night to the STA proposal.

"We are shocked at this damaging and ill-thought-out proposal, which will result in Britain's already under-resourced training system deteriorating even further while the needs grow the greater," they said.

Famine relief to Africa 'too little, too late'

By Michael Holman

BRITISH aid to Ethiopia and other African countries suffering from drought has been too little, too late and of the wrong kind, two leading UK aid agencies told the House of Commons Foreign Affairs committee yesterday.

Christian Aid and the Catholic Fund for Overseas Development told the committee, which is conducting an inquiry into famine in Africa, that the scale of the disaster was even greater than feared. In April the UN Food and Agricultural Organisation estimated that 24 African countries and 150m people were seriously threatened.

That is now out of date, the agencies said. "Previously self-sufficient countries" are moving "nearer to crisis." "Africa will ... have a massive need for emergency food aid for at least the next 12 months."

The roots of the crisis, they said, go beyond the two to three-year drought. They include: desertification, undue emphasis on cash crops at the expense of food crops; inadequate government agricultural-pricing policies; poorly developed distribution and marketing systems; and shortcomings in donor programmes.

Sinclair to select site for new plant

By Peter Marsh

SINCLAIR Research will decide soon on the location for a £10m semiconductor plant that would produce prototype chips for the company's computers.

The factory could be extended to make production versions of semiconductors which, besides forming part of Sinclair products, could be sold to other companies.

Sir Clive Sinclair, head of Sinclair Research, said yesterday also that talks were taking place with Ferranti on possible collaboration in building a second semiconductor plant in the next five years. The factory would start up after any difficulties with the initial venture had been ironed out. Sinclair Research would provide the cash, with Ferranti using its semiconductor knowhow to design the plant.

Staff at a new Sinclair laboratory in Cambridge are already working on new forms of chips that might be part of the company's computers in the late 1990s.

Sinclair Research has set its sights on producing a machine that works according to principles of artificial intelligence, that is with rudimentary reasoning powers.

● One in four computers sold by Sinclair Research are returned to the shops according to a survey of retailers conducted by Business Decisions, writes Jason Crisp.

The survey of a cross-section of 100 retailers which had sold a total of about 20,000 home computers showed a high level of unreliability for products from Sinclair and Commodore.

Sir Clive Sinclair said: "We monitor the returns very carefully and they have been going down all this year and now running at about 13 per cent. The vast majority of those returned do not involve a fault on the machine."

Some of the returns are because customers are confused by the computer's manuals. The survey showed that three quarters of machines returned were because of faults, mainly with power supplies and loading software.

TUC leaders propose pit strike talks on revised Plan for Coal

BY JOHN LLOYD, INDUSTRIAL EDITOR

THE GENERAL Council of the Trades Union Congress (TUC) yesterday agreed that a group of its leaders should propose to the Government that talks should re-open between the National Coal Board and the miners' union.

That would be on the basis that the industry's Plan for Coal, originally drawn up in 1974, should be revised. Mr Arthur Scargill, president of the National Union of Mineworkers (NUM), has insisted throughout the eight-month strike that the coal board should adhere to the Plan for Coal, which was basically expansionary. The board wants to cut capacity and close uneconomic pits.

It is privately acknowledged by the TUC that such an initiative, in itself, is unlikely to find favour with the Government. The TUC leaders would have to gain some indication from the NUM leadership that it was prepared to be more flexible on pit closures. The seven union leaders who form the liaison committee with the NUM are likely to meet the union's three national officials again tomorrow.

The sole encouragement for that initiative is the sharp drop in the numbers of mineworkers returning to work. Yesterday's total was 270, putting this week's total so far to a little over 1,600. The final total for the week is unlikely to rise much beyond 2,000 – less than half the number the NCB had hoped.

Senior board members believe that the drift may have slowed to the extent that they will be lucky to get back a further 5,000 miners by Christmas – leaving them, on their figures, with some 70,000 miners not on strike by the year's end, out of a total of 180,000.

They believe that the violence and high incidence of attacks on homes, especially in South Yorkshire, have been partly responsible

Neither the board nor the Government show any sign of interest in re-opening talks, or in a new Plan for Coal.

● The National Union of Seamen yesterday asked Mr Norman Willis TUC general secretary, to intervene in the escalating row over the use of non-NUS crews by shipowners beating the union's coal and oil blockade in support of the miners.

Court traces NUM funds

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

VIRTUALLY all the £8m of National Union of Mineworkers' funds transferred abroad at the beginning of the miners' strike have been traced, and the bulk frozen in overseas banks, the High Court heard yesterday.

The sequestrators appointed by the court to seize the union's assets when it refused to pay a £200,000 contempt of court fine, reported that in addition to £2.78m frozen in a Dublin bank, £4.63m had been frozen in a Luxembourg bank, Nobis-Finanz International, and today a Swiss court will be asked to block £503,000 in an account in EBC (Schweiz), a Zurich bank.

A Luxembourg court will rule today on an NUM plea to unfreeze all but about £200,000 in the Nobis-Finanz account. It may also rule on the sequestrators' application for the appointment of a judicial sequestrator to take control of the Nobis account pending a decision in Luxembourg on the English sequestrators' claim to the funds.

At the same time, the sequestrators reported that they had not, after all, control of £6,322 from the NUM's power group. That was part of the £8,174 they had earlier reported had been all they had been able to seize.

Mr Arthur Scargill and other NUM leaders have been ordered by the High Court not to touch the Luxembourg and Swiss funds without the sequestrators' consent, the court was told.

Mr Justice Nicholls warned the union that "keeping the funds abroad only postpones the day of reckoning. It will not avoid it. By one means or another, sooner or later, these funds will have to return to this country."

SCM plans £25m investment

BY TONY JACKSON

SCM CORPORATION of the U.S. is to spend $30m (£25m) on expanding and upgrading its titanium dioxide plant at Stallingborough, South Humberside. The plant was acquired in September from UK chemicals company, Laporte, as part of a deal worth $120m.

The project, which will begin next spring and take 18 months to complete, will increase the site's capacity from 94,000 tonnes to 105,000 tonnes. Of that, 80,000 tonnes will be produced by the more modern chloride process, with technical modifications introduced by SCM from its own U.S. titanium dioxide operations.

The balance will continue to be produced by the older sulphate process, in which Stallingborough has certain specialist market strengths, particularly in the ceramics industry.

Although the deal with Laporte has been seen by UK observers as highly advantageous to Laporte, SCM chairman Paul Elicker was at pains to point out the corresponding benefits to SCM. "Worldwide supply and demand for titanium dioxide have moved into balance", he said, "and prices have been rising.

"With only 4 per cent of the world market, Laporte could scarcely justify the capital spending needed to take advantage of the upturn. But we now have 13 per cent of the market, and as a world player can bring to bear our larger size and better technology."

Present world capacity in titanium dioxide – used as a whitener in, for example paints and paper – is about 2.5m tonnes per year. SCM's capacity is now approaching 325,000 tonnes, making it the world's fourth largest producer. World leader is Dupont of the U.S., whose present capacity of some 525,000 tonnes is projected to rise to 600,000 tonnes in the next three years.

Rowntree to close Edinburgh factory

ROWNTREE Mackintosh, the confectionery company, is to close its Edinburgh factory in Scotland with the loss of 700 jobs.

The closure, sheduled for early 1987, is part of a three-year plan, to be announced today, involving nearly all of the group's eight UK confectionery plants. The plan is expected to introduce a more streamlined grouping of product lines.

Rowntree has about 16,000 employees in the UK and makes about 30 products including Kit Kat and Yorkie chocolate bars and Black Magic and Dairy Box assortments. During the past few years there has been intense competition in the UK confectionery market.

□ ROYAL BANK of Scotland is preparing to enter the insurance underwriting business. It is believed to be the first time that a large UK clearing bank has decided to take the risk of insurance on to its own books. Several other banks already act as insurance brokers.

The Royal Bank would not confirm the plans yesterday. However, it is reliably understood that an announcement will be made around the turn of the year.

□ A POLL of accountants indicates that a majority of members of the Institute of Chartered Accountants oppose the proposed merger with the Chartered Institute of Public Finance and Accountancy.

Replies from 1,426 readers of the magazine Accountancy Age who were members of the Institute of Chartered Accountants showed that 51.40 per cent were against the merger.

□ THE HIGH COURT gave Mr William Smedley, a retired accountant, leave to challenge the Government's decision to "rush through" payment of an additional £120m to this year's EEC budget.

□ BRITISH AIRWAYS is to increase domestic flights on both Shuttle and other routes. From December 3, the number of Shuttle flights each weekday between Heathrow, London and Manchester will be increased from 14 to 16 daily, to meet rising demand.

□ A NEW tourist attraction park, costing about £18m in its first phase of development, will be inaugurated in May next year by KLF (UK) on a 120-acre site at Heanor, near Derby.

UK NEWS

RESHAPED GUINNESS PEAT SET TO TACKLE WIDE RANGE OF BUSINESS AREAS

Banking on a radical approach

BY DAVID LASCELLES

GUINNESS PEAT, a name almost synonymous with boardroom turmoil, will shortly disappear if Mr Alastair Morton, chief executive of the financial services group, has his plans approved. Shareholders will soon be asked to vote on a change to Guinness Mahon Group.

The new identity may not eradicate memories of the huge losses and bitter divisions that have rocked GP since 1981, but it should at least point to the new direction in which the determined Mr Morton wants to steer the group.

Guinness Mahon is the name of GP's merchant banking subsidiary which once enjoyed a measure of independence but which, after this month's departure of both its chairman and chief executive, has come firmly under Mr Morton's control, three years after he was called in to sort things out.

That will allow him to reshape GP's assorted businesses into what he calls "an investment bank" or a "*banque d'affaires*," grouped round Guinness Mahon's merchant banking, investment and private client business.

He admits the terms are vague. "They mean different things to different people." The general idea, however, is to make GP, or GMG as it will be known, into a company of financial contractors armed with capital and managerial skills that will make money in whatever areas look promising, be they banking, property development, energy, leasing, venture capital or insurance.

Mr Morton has been picking through possible models, such as Hill Samuel and Hambros, which have an array of interests grouped round a bank, or Lazards, the noted financial engineers.

Apart from Guinness Mahon, which accounts for around a third of GP's pre-tax profits, the group has a highly profitable insurance broker, Fenchurch Insurance, and an assortment of other interests under a holding company called Guinness Peat Securities. Those include property management, oil and gas, and some small venture companies engaged in biochemicals, oil trading and cocoa processing.

It also has one of GP's most successful investments, its 22.7 per cent stake in GPA Group, an aircraft leasing company owned jointly with the finance subsidiary of General Electric of the U.S.

Although the bank will have to be self-contained for reasons of prudence and conflicts of interest, Mr Morton wants the group as a whole to become more tightly knit, and to develop the idea that it is managing financial assets rather than individual businesses.

"We want to develop our skills in particular fields, not just for the bank's clients, but also to create investment opportunities for the group as a whole, and its partners and clients as well."

The combination of the bank's fund management business and Fenchurch might prompt a move into life insurance, for instance. "The possibility has crossed people's minds," he says. The corporate finance and venture capital side of the bank might also be combined with Guinness Peat's policy of taking strategic investments in growth companies to expand opportunities for both the group and clients.

Guinness Mahon's 29 per cent stake in White & Cheesman, a small stockjobbing firm, should provide the basis for some securities

Mr Alastair Morton: 'creating opportunities'

dealing, albeit in a limited way (although GP is believed to have made an unsuccessful bid for one of the big London stockbrokers).

GP has already bought into oil and gas production in North America but it is looking for well-researched, low-risk opportunities in Europe and the Middle East, where it currently earns adviser fees.

"Asset management" sounds a rather grandiose rationale for GP's diverse interests, and Mr Morton is still trying to phrase his new strategy for the 1984 annual report due out in January. He insists that GP is actively trying to reshape itself. "We are not simply waiting to see what happens."

GP, he notes, has moved out of the loss-making commodities business (which originally gave it the Peat name), and is building up new ones such as energy and commercial property. It has added to its small venture companies.

Now that debts have been reduced from £140m to under £30m, it can hang on to things it might previously have been forced to sell, such as its GPA stake, enabling much of the group to settle down again.

Even so, while Mr Morton talks in the plural, he is probably the only person at GP who has a complete grasp of the strategy, and there is still some scepticism in financial circles as to whether this former BNOC managing director can succeed in such an undertaking.

Although he greets visitors with good humour, and has the tough intellect for the job, he has a habit of making enemies and might be overestimating his ability to make GP run smoothly.

Some things are working in his favour, though. He has emerged triumphant from the confrontation with the Kissin family, which founded the group. The Kissin interest is now below 10 per cent. Signor Giorgio Rossi, whose COFI group pitched its 8 per cent stake against Mr Morton's reorganisation plans last year, has also returned to join the board of GP's U.S. holding company.

Stemming from earlier losses in the U.S. and UK, GP has what Mr Morton calls "a low tax future" in both countries, and he feels confident that he can keep profits rising, specially with good managers in the operating subsidiaries.

A healthier-looking GP might itself be a takeover target, although Mr Morton denies that there have been any approaches. Prospective buyers will probably want to pore over GP's new annual report to ensure that Mr Morton really has performed the Herculean task that he set himself.

British Council protests at cuts

By Nicholas Colchester

THE MAIN BUDGET of the British Council will be cut by 2 to 3 per cent in real terms as a result of the public spending totals recently announced by the Government for the year from next April, Sir John Burgh, the director general, told a lunch at the House of Commons yesterday.

Sir John described the sums that the Government was saving through such economies as "footling" and said the Government should have thought more about its priorities before imposing them. The new constraints would force the council to consider closing further posts abroad, perhaps in the Gulf and Latin America, and shelving projects in Moscow, Shanghai, Brunei and Francophone Africa.

He stressed that he was not "whingeing" and that when he had come to the council in 1980, he had seen the scope for removing fat from the organisation. However, the administrative budget had been cut by 20 per cent in real terms since then and the continuing economies were "removing substantial amounts of flesh" and, indeed, "scraping the skeleton."

Mr Timothy Raison, the UK aid minister, replied that it was some consolation for the council that the British aid budget had been kept relatively intact. The council's three sources of revenue are its main government budget, now set at £83.8m for 1985-86, an estimated £25m in earnings from services sold abroad, and some £90m in payments from development agencies

Minister pledges onshore oil control

BY MAURICE SAMUELSON

THE GOVERNMENT promised yesterday that onshore oil exploration would not be allowed to go ahead without full regard to location and the environment.

"I will not allow a single well to be drilled onshore until the full rigour of local planning law has been exercised," Mr Alick Buchanan-Smith, Energy Minister, said in London yesterday.

His remarks follow publication of a new system of licensing onshore oil activity, which Mr Buchanan-Smith said was designed to seek a balance between national and local interests and between commercial and environmental interests.

An environmental battle has already begun over oil exploration in what oil companies call "the golden belt" of southern England. Several villages have formed pressure groups to keep out the oil industry, which they fear will deface the countryside.

The main characteristic of the new licensing system is that, in addition to licences for exploration and development, it introduces a third licence for the intermediate stage of testing and appraising initial oil or gas discoveries.

That is designed to prevent prolonged appraisal from being carried out under an exploration licence.

In his speech to 300 oil industry representatives yesterday, Mr Buchanan-Smith gave a lengthy list of reasons for encouraging onshore oil activity. North Sea output would start falling in a few years and there was a need to be independent of imported oil.

Exchange to meet deadline

By John Moore, City Correspondent

SIR NICHOLAS GOODISON, chairman of the London Stock Exchange, said yesterday that the ruling council of the stock market expected to meet the Government's deadline for the dismantling of minimum commissions, December 1986, "by a good margin."

He gave a warning that the exchange's ability to meet the Government's deadline depended on the development of necessary technology, which remains the most complex part of the current work. "The council has recently endorsed a strategic plan to implement the technical systems which will be needed to support the new markets and ensure a suitable level of protection for investors."

The stock exchange, he said, was debating some papers concerned with changes that will be required to membership and other rules. They include the requirements for new members, the qualifications expected in future of people who will advise the public and commit their firms, new rules for the financial supervision of firms, proposals for coping with conflicts of interest and the future of the compensation fund.

"Some of these raise complex questions about the constitution of the stock exchange and about the manner in which we finance the further heavy investment in technology which we will need. No decisions have yet been made," he said.

Sir Nicholas told the members that the council intended to consult with them on the detailed changes which would be required. "We intend to issue a package of proposals to members early in the new year."

● The Government's White Paper on the regulation of Britain's financial community may not appear until the second week of January, a month and a half later than earlier expectations.

BASE LENDING RATES

A.B.N. Bank	9½%	■ Hill Samuel §	9½%
Allied Irish Bank	9½%	C. Hoare & Co. †	9½%
Amro Bank	9½%	Hongkong & Shanghai	9½%
Henry Ansbacher	9½%	*Johnson Matthey Bkrs.*	9½%
Armco Trust Ltd.	11 %	Knowsley & Co. Ltd.	10½%
Associates Cap. Corp.	10½%	Lloyds Bank	9½%
Banco de Bilbao	9½%	Mallinhall Limited	10 %
Bank Hapoalim	9½%	Edward Manson & Co.	11 %
BCCI	9½%	Meghraj and Sons Ltd.	9½%
Bank of Ireland	9½%	Midland Bank	9½%
Bank of Cyprus	9½%	■ Morgan Grenfell	9½%
Bank of India	10 %	National Bk. of Kuwait	9½%
Bank of Scotland	9½%	National Girobank	9½%
Banque Belge Ltd.	9½%	National Westminster	9½%
Barclays Bank	9½%	Norwich Gen. Tst.	9½%
Beneficial Trust Ltd.	10½%	People's Tst. & Sv. Ltd.	10½%
Brit. Bank of Mid. East	9½%	R. Raphael & Sons	9½%
■ Brown Shipley	10 %	P. S. Refson	9½%
CL Bank Nederland	9½%	Roxburghe Guarantee	10 %
Canada Perm'n't Trust	9½%	Royal Bk. of Scotland	9½%
Cayzer Ltd.	9½%	Royal Trust Co. Canada	9½%
Cedar Holdings	11 %	■ J Henry Schroder Wagg	9½%
■ Charterhouse Japhet	9½%	Standard Chartered	‖9½%
Choulartons	11½%	Trade Dev. Bank	9½%
Citibank NA	9½%	TCB	9½%
Citibank Savings	¶11½%	Trustee Savings Bank	9½%
Clydesdale Bank	9½%	United Bank of Kuwait	9½%
C. E. Coates & Co. Ltd.	11 %	United Mizrahi Bank	9½%
Comm. Bk. N. East	9½%	Westpac Banking Corp.	9½%
Consolidated Credits	10½%	Whiteaway Laidlaw	10½%
Co-operative Bank	*9½%	Williams & Glyn's	9½%
The Cyprus Popular Bk.	9½%	Wintrust Secs. Ltd.	10 %
Dunbar & Co. Ltd.	9½%	Yorkshire Bank	9½%
Duncan Lawrie	9½%		
E. T. Trust	11 %		
Exeter Trust Ltd.	10 %		
First Nat. Fin. Corp.	12½%		
First Nat. Secs. Ltd.	12 %		
■ Robert Fleming & Co.	9½%		
Robert Fraser & Ptns.	10 %		
Grindlays Bank ‡	9½%		
■ Guinness Mahon	9½%		
■ Hambros Bank	9½%		
Heritable & Gen. Trust	9½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 6.25%, 1 month 7.00%. Fixed rate 12 months £2,500 8.75% £10,000. 12 months 8.00%.
† 7-day deposits on sums of under £10,000 6¼%. £10,000 up to £50,000 7¼%. £50,000 and over 8%.
‡ Call deposits £1,000 and over 6¼%.
‖ 21-day deposits over £1,000 7¼%.
§ Demand deposits 6%.
¶ Mortgage base rate.

More jobs seen from information technology

By Guy de Jonquieres

IT IS a myth that information technology had become "the great destroyer of jobs," Mr Geoffrey Pattie, Minister for Information Technology, said yesterday.

Although increased automation often had an adverse short-term impact on employment, he said, the application of information technology would generate additional employment in new businesses and older industries.

Speaking at a conference in West Berlin, he said: "One feature that the information technology revolutin undoubtedly shares with past technological upheavals is that its implications are already being misinterpreted and its benefits undervalued by many of those affected."

Competition and productivity improvements in information technology businesses might stimulate greater demand for capital and labour and bring down unit production costs, he said.

Information technology might also create entirely new opportunities for increased employment in high-cost economies by improving industrial productivity. Automation could transform the prospects of older industries and preserve employment in them.

National Institute of Economic and Social Research Quarterly Review

Slow growth forecast for next 5 years

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

THE CHANCES of a significant reduction in unemployment before the end of the decade look slim, the National Institute of Economic and Social Research says in its latest review, out today.

Its medium-term projection for the UK economy up to 1989 also suggests that the Government is unlikely to have much room for tax cuts if it continues with present policies.

The institute's forecasts show a bleak prospect of slow annual growth of national output averaging only 1¾ per cent from 1985 to 1989, accompanied by gradually accelerating inflation, unemployment remaining between 3.3m and 3.4m, with an increasing deficit on the current account of the balance of payments. To complete that catalogue of gloom, the institute says that Government borrowing is also likely to rise.

On the basis of that central projection for the economy, the institute says: "The current balance of payments remains in deficit throughout the period. This is a disturbing result in view of the relatively low rate of growth projected for the domestic economy." It adds that despite uncertainties of such projections, "there would seem a fairly strong possibility that the balance of payments could re-emerge as a constraint on domestic growth when North Sea oil production passes its peak."

Moreover, the institute concludes from a series of simulations of alternative paths for the economy that there is little the Government can do within its general policy framework to improve Britain's overall economic performance in the period.

The central projection is based on the assumption that policies remain unchanged, even though the institute believes the economy would be moving far off the course now mapped out by the Government's strategy.

It therefore considered several other possibilities. In one of those, policies were assumed to be tailored by the Government to "optimise" its economic goals. Those are assumed to be: "high output growth and low inflation, while cumulative tendencies towards balance of payments disequilibrium and high government borrowing are highly penalised."

The institute says that although more than one aspect of its central forecast might be described as "unacceptable" or even "unsustainable," the policy levers in its "optimised" case could do little more than shift the discomfort from one aspect of economic performance to another or from one time period to another.

A second alternative the institute examined was that world trade might grow at 7½ per cent a year, compared with the 4¾ per cent assumed in its central projection.

Even with such a large external stimulus, it says: "The effect on output is not large, however, because the import content of manufactured exports is now very significant."

A third possibility considered was that real wages might grow more slowly than past experience led it to predict in the central forecast.

The institute says that in its model it assumed that wage bargainers were trying to increase the real value of earnings by 1½ per cent a year. "It could be said that some at least of the problems manifested in our base run projections arise because that rate of growth is simply not attainable in the 1980s."

In the alternative projection, it is assumed that wage bargainers are looking only for a ¾ per cent real increase in earnings, with the result that real earnings fall briefly and then recover at the end of the period to about 5 per cent below the level assumed in the central forecast.

That, not surprisingly, helps to reduce the inflation rate to about 3 per cent by 1989 compared with 7 to 8 per cent in the central forecast. However, the reduced purchasing power of workers means that output and employment grow slightly more slowly than would otherwise have been the case.

The analysis appears to be a direct challenge to the view of Mr Nigel Lawson, Chancellor of the Exchequer, that lower increases in wages would automatically lead to higher output and more jobs.

The institute concedes, however, that the lower inflation resulting from wage moderation would give the Government more room to manoeuvre so that it could "trade a more expansionary policy for somewhat higher inflation." In that case, the institute believes it could keep unemployment down to about 3.2m with inflation at about 5 per cent, close to current rates.

In its regular short-term forecast – up to 1986 – the institute endorses the Treasury's view of growth for next year with a 3.3 per cent increase in output.

However, in contrast with the Confederation of British Industry, it believes that unemployment will continue to rise to 3.2m by the end of 1985 and to 3.4m by the end of 1986. The CBI's prediction and the Treasury's "assumption" is that unemployment will be 3m by the end of 1985. However, by 1986, the institute predicts a marked slowing down of the economy, with only 1 per cent growth in output between the final quarters of 1985 and 1986.

One reason for that is that the expected steep rise of investment – predicted to increase by 7.7 per cent this year – will come to an end early in 1986, when a decline is forecast to set in.

The institute believes that stocks will continue to be rebuilt throughout the period, but there would be little increase in restocking between 1985 and 1986.

The institute feels that industry may have made a once-for-all downward adjustment in its stocks in relation to output.

Exports, it believes, will rise by 5 per cent next year with a further growth of 4 per cent in 1986.

It says: "Exports to the European Community have recently done well. But those to the U.S. have been surprisingly sluggish in view of the strength of the dollar and the rapid expansion of the American market."

One reason for the institute's pessimism about jobs is that it believes that "although unemployment is very high and still rising, it can no longer be taken for granted that there is still a very large margin of space capacity in industry."

National Institute Economic Review No 110, November 1984, annual subscription £30 (UK) and £40 (abroad); single issues (£8.50, UK and £12 abroad) from the National Institute Economic Review, 2 Dean Trench Street, Smith Square, London SW1P 3HE.

British labour costs lowest of 15 main industrial countries

BY MICHAEL PROWSE

THE UK is a "cheap labour" country, according to a survey of manufacturing industry in 15 countries by the National Institute.

The report points out, however, that, because of unusually low labour productivity, unit labour costs remain relatively high in the UK.

The survey, based on figures compiled by the Swedish Employers' Confederation, shows that the pay of women relative to men is lower in Britain than in any other EEC country and has declined in the past five years.

In 1983, total labour costs, translated into a common currency, were lower in the UK than in any of the other 15 leading economies surveyed.

Labour costs were 86 per cent higher in the U.S., 60 per cent higher in West Germany, 18 per cent higher in Italy and 15 per cent higher in France. Even in Japan, labour was 4 per cent more expensive than in the UK.

The precise comparisons are vulnerable to shifts in exchange rates, but the study shows that total labour costs in the UK have been substantially below the norm among the industrialised countries for at least 10 years.

The weakening of sterling this year will have further reduced the UK's relative labour costs.

The measure of total labour costs used includes a wide range of "social charges" – for example, employers' contributions towards pensions, sickness, injuries and unemployment.

A comparison of labour costs that ignores such social charges can be misleading because non-wage labour costs vary enormously in different countries.

The institute estimates that in the UK and the U.S., total social charges are 37 per cent of earnings. That compares with 86 per cent in Italy, 80 per cent in France, 77 per cent in West Germany and only 19 per cent in Japan.

Although hourly earnings, in a common currency, are lower in Italy and France, for example, than in the UK, once social charges on employers are added in, total labour costs in those countries becomes significantly higher.

Low investment levels 'hinder manufacturing'

THE NATIONAL Institute takes a sombre view of the outlook for British manufacturing industry in its latest review.

Manufacturing output was still running some 15 per cent below its 1973 peak in the first half of 1984.

Low rates of investment in new equipment between 1980 and 1983 have resulted in "technological backwardness," it says.

Britain is failing to make its mark in new technologies, the institute argues. There is, for example, no big UK supplier of microchips.

In 1985, manufacturing and production industries should grow by 3 to 4 per cent and if the coal strike ends soon there will be a sizeable bounce back in energy output. The medium-term outlook is "not sauspicious," however.

An almost stagnant domestic economy between 1986 and 1989 is unlikely to generate "any marked growth in manufacturing".

The report gives a warning that "foreign producers have gained the upper hand in too many areas" and that several sectors, such as mechanical engineering, are "obviously struggling."

The trade balance in manufactures is now "substantially in deficit" and domestic capacity is no longer able to satisfy domestic demand. When the economy turns up, the result is higher import penetration.

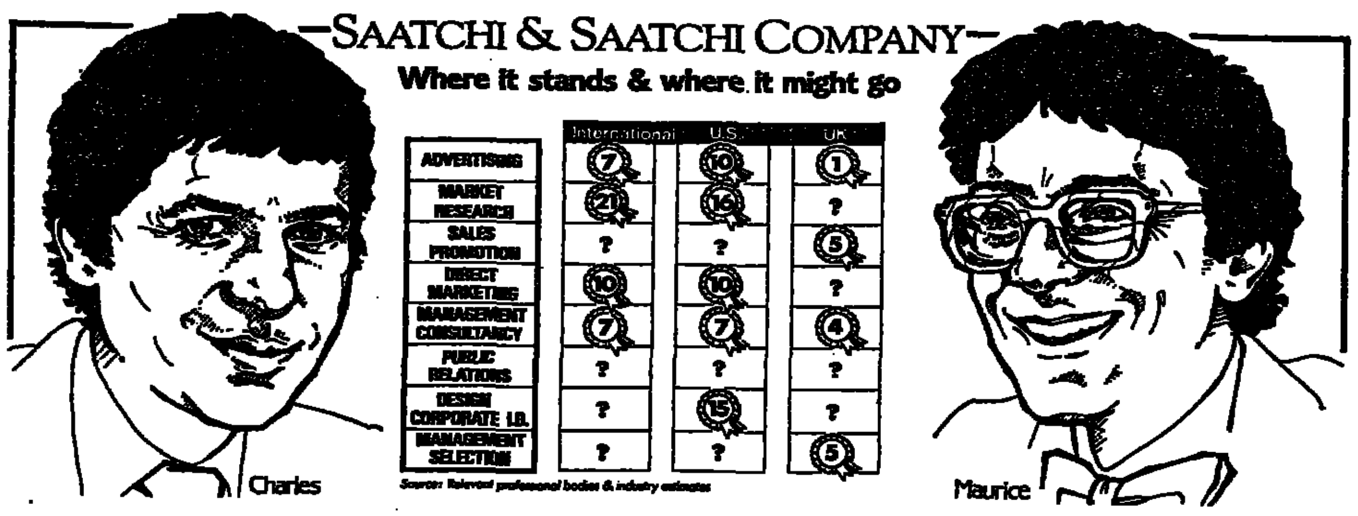
The causes of manufacturing's decline are "complex and manifold." The expansion of oil output and the rapid appreciation of sterling in 1980-81 are only partly responsible.

Other factors behind the decline, which dates back to 1968, include an inability to adapt to structural changes in demand.

Agency expansion

Making Hay while the sun shines

BY FEONA McEWAN



IF THE SAATCHI brothers have a dream, it is to develop what they would surely call the "ultimate communications superstore," where the multinational company can go one-stop shopping for anything from product design to personnel organisation and from advertising to executive recruitment.

An ambitious goal. But there's no guarantee that it will work — there's little enough precedent. For all its acclaim, Saatchi and Saatchi, the UK's largest ad agency and the world's number seven network, has never lacked for critics. So far, however, it has outsmarted many of them during its 14-year history.

Last month, after a year's careful engineering and detailed planning, Saatchi went shopping in New York and bought up its first market research outfit, Yankelovich Skelly and White. Second strand in place. Last week it struck again. More surprisingly, perhaps, it snapped up the Hay Group, one of the foremost international management consultancies with 27 offices in 97 countries and a blue chip client list. Third strand in place.

And this week the markets have been buzzing with speculation that the Saatchis are about to buy another group, perhaps an advertising agency, perhaps a public relations concern. The company would not be drawn, but the share price climbed 30p yesterday all the same.

"The stimulus for our moves has come from our observation of the way respective clients were moving," says the company. "As multinational corporations grow in size and complexity so the marketing, organisation and strategic problems which face them become more closely linked."

The empire is to be built on three pillars: advertising (network already in place), market research and management consultancy—everything a company may need for its internal—and external—communications. All the operations will be run autonomously and independently, but the client will have the chance to fill the shopping trolley from whatever "shelf" meets his needs at the time.

It is a "client-led" strategy designed for multinational companies pre-occupied with the problems of "global branding" and the implications for their own organisations of the growing centralisation of marketing, advertising and production.

Two examples: Gillette undertook a major shuffle when it replaced its system of having a marketing director for each division in every European country with a single marketing director, based in London, for each division. Johnson & Johnson had operated for years on a decentralised basis in the sanitary protection market in Europe until the highly efficient Procter & Gamble moved in with its single factory distribution and centralised method. The cosy days were over for J&J; there was to be no more local research and development or local factory distribution.

At first sight Hay seems a world away from this. It made its name in the 1940s with its pay reward scheme, widely used among top UK companies. It is now best known for its personnel organisation (motivation, incentives, remuneration) as well as executive search (headhunting) and recruitment. All of these skills may be needed by multinationals involved in restructuring in order to adopt a centralised approach necessary for "world branding."

Inevitably there are doubts. Can good admen make good business managers? External communications may be one thing, but internal affairs may prove quite another. And what about the thesis that the company's real motive for moving away from mainstream advertising is that it needs to sustain its growth rate, which continues substantially to outstrip the industry's average of 15 per cent per annum.

One thing, however, is certain. It's no secret that the Saatchis want to take their ad agency into the top 10 in the 10 major advertising nations.

This aim has jet-propelled the company from a small adshop in 1970 to number one in the UK in 1979 and number one in Europe in 1983. Although for the past 10 years observers have been saying that they can't sustain momentum, this year the group announced a 78 per cent growth rate and £18.4m in pre-tax profits—and that's without any major acquisitions.

Yet with 1 per cent of total *world advertising passing* through their hands they regard themselves as nowhere in the business.

The multinational company has always been Saatchi's main target. It reckons that 58 of the largest 100 UK advertisers are multinationals, and 87 of the top hundred in the U.S. They note that the top eight or nine multinational ad agencies shared 14 per cent of world advertising five years ago. Now they share 19 per cent, totalling $7bn of business.

Saatchi itself already handles some accounts for 46 of the world's top 200 advertisers, over 25 of them multinational in five or more countries. Last year the figure was three or more countries.

Business services as a sector are certainly showing fast growth. According to the U.S. Bureau of Economic Analysis, the U.S. compound annual growth of the sector from 1976 to 1983 is 14.8 per cent against 6.8 per cent for manufacturing industries and 9.4 per cent for GNP.

In the UK marketing (including advertising, PR, sales promotion, direct mail) showed an actual growth of 18 per cent compared with market research, 19 per cent and consultancy, 20 per cent in 1983-84. The U.S. equivalent figures are 13 per cent, 15 per cent and 22 per cent.

So far clients are reported to be very positive about the merger. Already one of the UK's major employers has made overtures to Saatchi about discussing a project to implement a major staff motivation and attitude change.

City reaction has been favourable, with few reservations. "On the whole, the attitude is bullish," says sector analyst Neil Blackley of James Capel. "It's a very interesting move, combining the external and now internal communications into one total package. There's also a good turnround potential of profit margins and though Hay's record is not so good in dollars there's a clever clause in the deal that protects Saatchi against failure to meet profit targets in early years. What they don't get in profit they'll earn in interest."

Whether client conflict becomes a major problem remains to be seen. "If there is a real attempt at synergy between the consultancy and the advertising sides," says one observer, "how far can they expand without running into this problem? If they are offering a total marketing package it will surely require a delicate balance to avoid fallout of *major Hay clients*."

Tactically the Saatchi group has been canny—delivering first before making another major acquisition — a move that no doubt pleased the City. When it took over Compton Communications in 1982, its margins were half the average at 1 per cent (pre-tax profit to turnover) and Saatchi promised to double it in four years. Two and a-half years on, the figure is up to 1.85 per cent. It has taken that time to assimilate the new company into the group based as it is on the principle of "high creativity across a disciplined world network."

Gaps still remaining on the Saatchi map—which is in effect well defined but within a narrow sector — include sales promotion (outside UK), public relations (anywhere), and design and corporate identity (outside U.S.). So who's next?

Put simply, Saatchi's future development is a matter of filling each space in the drawing with the number one.

A new pattern of tile selling

James Buxton reports on Richard Ginori

"THE MAKERS of ceramic tiles have a culture all of their own. But it is often an inward-looking culture that concentrates more on how to make tiles than on how to sell them. We are trying to reconcile the best manufacturing techniques with the best marketing methods."

The speaker is Paolo Vestrelia, general manager of a new joint venture which intends to break the Italian tradition of selling tiles only through wholesalers and to bring them direct to the public. The venture has armed itself with one of the most famous names in Italian ceramics, Richard Ginori. And it seeks not only *to attract retailers with its tiles* but also to convince the buying public that whole rooms—and not just bathrooms—can be given the tile treatment.

The name Richard Ginori is well known in Italy and other parts of the world as the maker, for more than 200 years, of fine porcelain. For several years it has been owned by Pozzi, a sanitary ware manufacturer, now known as the Pozzi Richard Ginori Group; Richard Ginori china shops in the smartest streets of Rome and Milan also form part of the group.

Richard Ginori abandoned as uneconomic its ceramic tile manufacture about three years ago, and laid off its workers at its factory at Gaeta, north of Naples.

Then Italy's biggest ceramic tile maker, Marazzi, moved in; the family-owned business saw a joint venture as a way of breaking out of the stagnation which has hit the Italian tile industry in the last few years. Many of Italy's foreign markets are depressed, while the slump in house-building in Italy has hit the tile makers hard. The domestic market is saturated.

Nevertheless, the new Richard Ginori will mean work for about 340 people in factories at Gaeta and Anagni, both south of Rome.

By 1986 the company expects sales of about L30bn (£13m). It reckons that a third of tile sales in the next 15 years will come from improvements and conversions of existing homes, so the new Richard Ginori (of which Marazzi owns 80 per cent and Pozzi 20 per cent) wants to spread the attraction of ceramic tiles by getting the home owner directly involved in choosing his tiles and deciding how to use them, rather than dealing through builders' merchants and wholesalers, as is the case today. Up to now only the more determined customer would have been able to dictate his or her tile design.

"We want to take a short cut to the customer by directly involving the retailer," says Carlo Cottica, the company's manager. The intention is to aim for the top end of the tile market, selling expensive "non-standard" tiles, which can even be made to a customer's own requirements, with no objection to small production runs.

The idea is already becoming reality, thanks to a thorough promotional effort. Earlier this month Richard Ginori Pavimenti e Rivestimenti, to give the new company its full name, invited hundreds of owners of shops selling household materials and design products to a presentation at a hotel in Rome. About 300 shopowners expressed strong interest in becoming Richard Ginori dealers, and some were so enthusiastic that they offered to become franchisees, selling only Richard Ginori tiles—a proposal *that may at this stage* be too adventurous. The company hopes to have about 20 dealers in cities like Milan and Rome.

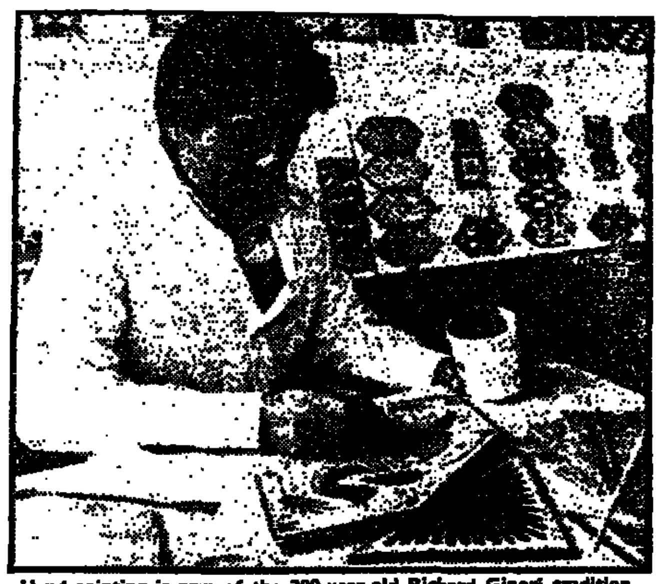
The system of selling direct to the public can only work if Richard Ginori provides the retailers and their customers with sufficient back-up. Each dealer must have all the information on the whole range of Richard Ginori products; each will have a computer terminal enabling him to consult the company's data base and register orders, and will be expected to meet the company's standards of display and layout. This means imposing a discipline on shopkeepers which is far more common to northern Europe than to Italy.

As a further innovation every customer will have access through the retailer to an individual consultant"—an architect or designer who can visit the customer's home and help him decide what tiles to have and where to put them.

For Richard Ginori is not just thinking of customers buying a few tiles to put around the bath, or on the kitchen floor. It has designed entire rooms paved and walled in tiles, not just bathrooms; and it also offers tables and even indoor gardens faced with the shiny tiles.

"We are not offering passing *fashions in tiles, so much* as a whole culture of tiles," says Cottica. "We are trying to produce tiles that will satisfy all generations, and continue to do so for 10, 20 or even 30 years."

One of the most attractive designs which Richard Ginori is to market consists of white tiles with a simple pattern of pale blue lines along the border, on to which pink rose petals have been scattered at random. This scheme dates back to the end of the 19th century, and is the work of the painter and ceramicist Filippo Palizzi. Other designs offered by Richard Ginori are more obviously contemporary.



Hand painting is part of the 200-year-old Richard Ginori tradition

JOBS COLUMN

Career difficulties • Heads for new venture

BY MICHAEL DIXON

WHEN Mackenzie Davey was called to a confidential meeting with the directors of an august City of London concern, he thought they must be recruiting a new colleague. For Mr Davey works as a psychologist specialising in executive-selection.

But his thought was soon corrected by the cut-glass tones of the chairman, who announced that the problem was a young man already employed by the firm. He was an able young man, the chairman soliloquised, the rest of the board occasionally grunting and nodding or shaking their finely groomed heads as appropriate.

Indeed in the matter of his work, the young man was excellent and would merit promotion to the highest level. But there was another way in which his character was . . . "flawed" might not be too strong a word. It was rather embarrassing really.

"Please go on," murmured Mac Davey, looking forward to some saucy revelation.

Well, not to mince words, the chairman continued, the young man was scruffy. He went about with hair unbrushed, tie all over the place, and as for his suits. . . It just would not do to have him representing the firm in the highest quarters. Which was a pity because he would be a great asset if only he could be brought to attend to his appearance.

The problem was how. It had been suggested that the directors should call the young man in for a discussion, and before he entered scruff their hair, undo their top shirt buttons and otherwise crumple themselves so that when he came in he would be confronted with them all looking like he did.

Did Mr Davey, as a professional psychologist, think the proposed ruse would awaken the young man to his deficiency?

"Hmm, perhaps," replied the consultant. "But if the problem is that, while his work's good, he looks scruffy and needs to smarten himself . . . might it not be more effective just to tell him so?"

The board looked collectively anxious. "Wouldn't that upset his feelings?", the chairman countered.

"Not as much as being passed over for promotion," Mac Davey said, mentally pocketing his handsome fee.

The moral of the story is that what those involved see as tangled problems are often straightforward to an observer. It is a maxim of great potential relevance to the situation not only of the board of directors in the case, but also of the somewhat dishevelled young man.

It would be nice to be able to tell you that the chairman promptly told the young man to smarten up, he followed suit and has since become Sir Michael Edwardes. But I can't. Mr Davey, who told me the story some years ago, was not informed whether his advice had been heeded.

So it is equally possible that the directors jibbed at being so blunt with anyone about a personal matter and, after vainly indulging in the scarecrows exercise and perhaps one or two others even dafter, wrote the young man off, telling him nothing.

Unaccountably denied the promotion he knew his work merited, he may have applied for better jobs elsewhere only to be turned down—again without explanation—because he wasn't sufficiently well groomed. If he consulted his nearest and dearest they, having said the same thing oft before, probably replied with exaggeration: "It's because you look like a rag-and-bone man, I've always said so!" But hardened by countless such emotional attacks on his individuality, he again refused to bend the knee and took to brooding ever more darkly on life's injustices as his career fell into tatters.

How sad. Especially since, in line with the previously mentioned maxim, it all probably need never have happened if only he could have called on someone who was not personally affected by his problems, versed in the ways of the working world, and prepared to listen, consider and respond with a reasoned view.

From what I gather, people with career difficulties do not easily obtain such sympathetically concerned but emotionally distanced advice these days. The upheavals and sackings of recent years have left many executives and specialist staff feeling insecure not only in their jobs but about discussing their anxieties with any colleague lest it be used against them.

Consequently it seems that increasing numbers of managerial people still in employment are seeking advice from independent counsellors such as Gardiner-Hill Needham in London. Its practice is to invite prospective customers for an hour's exploratory chat which costs them nothing. If they wish they can go on to discuss their situation in detail with a counsellor for three hours or more, at an inclusive fee of £115. Then they have the option of continued counselling over a year or longer which will cost them a total of about £2,000.

"Besides fearing the political risk of talking to colleagues, they're apparently unwilling to consult family or friends, perhaps because they're embarrassed or believe people close to them will be too subjective," I was told. "With us, though, they can speak the unspeakable and even voice the unthinkable in objective and secure surroundings. They seem to welcome it."

No doubt they do. But if more and more people feel they have no alternative to taking their job troubles to fee-charging consultants, the Jobs Column thinks it a pity. And for two main reasons.

First the phenomenon suggests that the people concerned do not have any emotionally secure friendship deep enough to make irrelevant any question of loss of face. Second, if you show me a subordinate staff who do not have friends in the company whom they can trust to help unravel their career difficulties, then I'll show you a bad top management.

Communications

RECRUITER Christopher Ley-Wilson of Einstein Associates seeks three top people for the European arm of a company to be set up to develop, make and market a still secret communications widget for use primarily in industry and commerce. As he may not name his client, he promises to abide by any applicant's request not to be identified to the employer at this stage.

The European company is likely to be registered in the Netherlands, headquarters in London with a manufacturing plant in Ireland. There will be a parallel operation in North America. The two men behind the project—a communications engineer and an entrepreneur both from the United States—have drawn up outline manufacturing and marketing plans, and if the current final testing of the prototype confirms the results of previous tests, it will be all systems go.

For the first job which is managing director of the European arm, candidates must be familiar with advanced office equipment and with the marketing of volume products to industry, and have succeeded in managing a business operation on European scale. "Very loose" salary indicator: £50,000-£60,000.

The marketing director will have been successful in leading the sales and marketing of goods of the consumer-durable kind to the same clientele in at least two or three European countries. Indicator £35,000-£40,000.

The same bracket applies to the financial controller who will be a qualified accountant experienced in developing internal controls and external financial links from an early stage in a manufacturing and marketing operation.

Perks include cars and profit-sharing.

Inquiries to Mr Ley-Wilson at Samuel House, St Albans Street, London SW1Y 4SQ; telephone 01-930 4545, telex 8950174.

James Capel & Co.

International Gold and Mining Shares

Institutional Dealer

James Capel & Co. have an international reputation for their gold and mining investment research. With the expansion of their business in London and overseas offices they now seek a dealer to join their team.

He/she will currently be a jobber, market maker or institutional dealer capable of dealing with institutions and placing major lines of stock.

The appointee, probably aged 25-35, must have strong self-motivation, need minimal supervision and be able to execute transactions quickly and efficiently. Previous knowledge of the sector is essential and dealing contacts with the appropriate major investment institutions would be advantageous.

The team is a worldwide leader in its field and the position has exceptional potential which will be reflected in the remuneration.

Please reply in full confidence initially to Digby M. Dodd, quoting Ref. 591, at Overton Shirley & Barry, Prince Rupert House, 64 Queen Street, London EC4R 1AD. Telephone: 01-248 0355.

Overton Shirley & Barry
INTERNATIONAL SEARCH AND SELECTION CONSULTANTS

EQUITY DEALER

A long established foreign bank opening in early 1985 requires to fill the following vacancy: An experienced Equity Dealer to deal with institutional investors in foreign bonds and equities. Salary will be competitive, plus normal banking fringe benefits

Contact:
01-248 3333 Mr Holloway

PERSONAL ASSISTANT WANTED

for Chairman/Finance Director of quoted company in London W1. Must be a qualified accountant or a Chartered Secretary. *Apply in writing to Box A8825. Financial Times, 10 Cannon Street, London EC4P 4BY.*

Appointments Wanted

INFORMATION TECHNOLOGIST & CHARTERED ACCOUNTANT

Aged 38, extensive practical financial and information systems experience. Computer Science degree. 9 years Chartered Accountancy with leading City firm, and 6 years with major consultancy, seeks opening to further career. Please write for details to: Box A.8816, Financial Times, 10, Cannon Street, London EC4P 4BY.

Manager Eurobond Sales

Establish our Presence in Straights

Aged 25-35, probably a graduate, you have at least two years' experience in eurobond sales. Confident of your proven ability to place paper you now want the scope to utilise your market knowledge to directly influence strategy and develop the sales function.

The European Headquarters of this major International Bank has made a total commitment in terms of capital, backup and human resources to extend its activities in the eurobond market. A new position has been created for someone to establish and develop a fixed interest sales capacity, primarily US$, and to extend and coordinate the range of products and instruments. Reporting directly to the Head of New Issues and working closely with the existing traders, in London and overseas, you will concentrate on identifying potential clients and coordinating the Group's selling effort.

Salary is up to £25,000 plus excellent banking benefits. If you wish to make a name for yourself, please write enclosing a CV in complete confidence to Carmina Leon of Cripps, Sears and Associates Limited, Personnel Management Consultants, 88/89 High Holborn, London, WC1V 6LH. Telephone: 01-404 5701.

Cripps, Sears

Investment Analysts

We have an enviable record of good investment performance. The funds we manage (currently over £1,500m) are increasing rapidly and a major expansion of our range of investment management services is envisaged. The opportunites for advancement of experienced and capable investment management staff are excellent.

To provide for this growth we now need to recruit additional investment analysts for our UK and overseas equity teams, particularly those who see fund management as their longer term objective.

If you are a graduate with up to three years' post-graduate business, investment or professional experience, and you have ambitions to form part of a successful investment team write to me now, with details of your qualifications and experience. If we think you have the flair and personality we are looking for, you can expect to be offered a competitive salary plus a wide range of fringe benefits.

John Norton, Personnel Controller, Provident Mutual Life Assurance Association, 25-31 Moorgate, London EC2R 6BA.

PROVIDENT MUTUAL

CONSULTANTS TO THE Financial Services Industry

Arthur D. Little – one of the world's largest and most diverse management consulting firms – is seeking to employ consultants for its rapidly expanding European Financial Industries Group which is based in London.

Prospective candidates – in the age range between 28 and 38 – will have had several years experience in financial services industries – banking, insurance, investment management, or related services – or in consulting to these industries.

The individuals must possess a number of qualities and qualifications including: a high degree of commitment; personal initiative; excellent analytical skills; a willingness to work in a team environment; a superior academic record, ideally with an MBA or advanced degree in Economics; fluency in English and preferably one other European language.

Successful candidates will have the opportunity to consult throughout Europe. They will also participate in international assignment teams involving consultants from our other financial industries practices in the United States, the Middle East and the Far East.

Applications, together with full curriculum vitae, should be addressed to the Director in charge of the European Financial Industries Group:
Mr. A. Michael Hoffman,
Arthur D. Little Ltd,
Berkeley Square House,
Berkeley Square,
London W1X 6EY.

Arthur D Little
MANAGEMENT CONSULTANTS

Financial Controller

(General Manager Designate)

Chester — *c.£20,000 + car & substantial benefits*

Our client is a well-established, successful and autonomous subsidiary of a large and diverse US Group. As a leading supplier of sophisticated machine monitoring equipment, its growth has been rapid with consolidated turnover now in excess of £10 million. To support further expansion of its European interests additional financial and general management expertise is now required.

Reporting to the Managing Director, initial responsibility will be for the finance function and for the further development of management information systems. Within a year the appointee will be expected to assume additional responsibilities for production and administration.

Candidates must be qualified Accountants, aged 32-45, who have had general management involvement while successfully leading and developing a finance function. Experience of foreign currency management, export financing and US accounting requirements is desirable. Essential personal qualities include energy, authority and the ability to motivate staff at all levels.

Please reply to Kevin Rotherham in strict confidence with details of age, career and salary progression, education and qualifications, quoting reference 1396/FT on both envelope and letter.

Deloitte Haskins + Sells
Management Consultants
128 Queen Victoria Street, London EC4P 4JX

Assistant Treasurer

Surrey — **c£15,000 + bens.**

Our client is a £1 billion turnover company providing materials and services to the construction industry on a worldwide basis. A rapidly developing treasury function has necessitated the recruitment of a high calibre professional to undertake a key role.

Utilising computerised systems including electronic banking, main areas of responsibility will encompass:–

- ★ Day to day management of funds movement.
- ★ Cash forecasting.
- ★ Negotiation of funding requirements.
- ★ Foreign Exchange.

Aged 26-32, you will ideally have 3 years treasury-related experience. Candidates will be expected to possess either a degree, accountancy qualification or membership of the ACT. A high level of commercial judgement and excellent communicative skills are essential personal qualities.

An attractive remuneration and benefits package will be offered and relocation expenses will be reimbursed where applicable.

Candidates should write to Andrew Sales, FCCA, enclosing a comprehensive c.v., quoting ref. 183, at 31 Southampton Row, London WC1B 5HY.

MP
Michael Page Partnership
International Recruitment Consultants
London New York Bristol
Birmingham Manchester Leeds Glasgow

---

c£27,000 p.a.
UK Pensions Controller

MIDDLESEX
FMCG

A graduate APMI or similar relevant qualification with a proven track record in pension fund management and administration. This is a new upgraded appointment providing the opportunity to develop the Company's Pension Policy in line with modern practice. Must be able to communicate effectively with people at all levels. An interesting career opening with one of Britain's leading blue chip FMCG companies. Usual fringe benefits include, company car and relocation expenses.

Suitably qualified candidates please phone 01-600 4708 for an application form quoting GF419 (24 hour service).

GREYFRIARS
EXECUTIVE RECRUITMENT

JOHN W G FORBES MANAGING DIRECTOR
104 NEWGATE STREET, LONDON EC1

INVESTMENT ANALYSTS ELECTRONICS/ENGINEERING

A leading firm of stockbrokers with a well-established position in the Capital Goods sector wish to strengthen their existing team with the appointment of two additional analysts. Scientific or technical knowledge in the sectors would *be an advantage but not essential for individuals with sound analytical skills* and the right personality to fit in with the existing team.

Remuneration will be competitive and the appointments offer an opportunity for progressive careers in an ambitious and profitable business. Applications will be forwarded direct to our clients and you should indicate in the covering letter any firms to whom you do not wish to apply. Please apply in writing, quoting reference 2123 giving particulars of career in confidence to: W.L. Tait, Executive Selection Division.

Touche Ross & Co.
Hill House 1 Little New Street London EC4A 3TR

COMPANY SECRETARY

Age : 35-45 — Salary £20,000 p.a.
Base : London W1 — + Car + Benefits

A prominent listed company, engaged through its subsidiaries in the distributive trades and with plans for substantial further expansion, requires a Company Secretary.

The person appointed will be responsible to the Board for Group legal, secretarial and allied matters and will be an important member of the Group's management team.

Applicants with an appropriate professional qualification and comparable experience in a progressive organisation are invited to send career details in confidence to:

Montague Jones at—

MULREADY & COMPANY	Corporate Advisers	1st Floor, 35 Piccadilly, London W1V 9PB Telephone: 01-439 8985 - Telex: 23116

Executive Appointments

from £17,000 to £70,000 p.a.

Are you seeking a new job? If so, we can help you.

We assess your marketability, identify career objectives, design a marketing plan, and work with you to obtain your next top job.

With our unrivalled technological information systems and the widest network of contacts in Europe we also help identify unadvertised vacancies.

We have the most successful record in our field. That is why top executives use our services — that is why only we offer a success-related fee structure.

An initial meeting is free. Contact us today.

Connaught
Executive Management Services Ltd,
32, Savile Row, London W1 01-734 3879

Vendor Programs — No 1 v. Neg. £30,000 p.a.

A major US Bank seeks a high calibre individual to head up the Bank's Sales Aid/Vendor Program operation, ideally a graduate aged c35 years, with extensive contacts with US or multinational UK manufacturers.

The ability to identify, price, and structure, Vendor financial packages in the multi-million range is essential.

Start up Situation: Sales Aid Neg. £17 – £22,000 p.a.

To undertake this role successfully it will be necessary to demonstrate the ability to market and structure complex manufacturer support schemes, and seek the opportunity to identify new markets and products, with particular emphasis on hi-tech/computer and office equipment areas.

Please contact: Brian Gooch or Jill Backhouse.

UK New Issues — Corporate Finance to £20,000 + benefits

Our client an International Bank, with a well established London office, wishes to increase its corporate finance complement with a young executive experienced in handling new issues on the London Stock Exchange. A professional *qualification will be useful and a good University degree essential.*

The successful candidate will be currently employed by a Merchant Bank or large Stockbroker and have a minimum of 2 years' relevant experience.

Please contact: David Grove.

Trade/Export Finance £ Negotiable

An International Bank in the City with a small presence in the Trade-related market between UK and the Middle East, is now expanding that presence both in scope and depth.

They therefore seek a Banker with many years' experience in the development of Trade-related business, who has contacts both within the UK and the Middle East, and who can demonstrate a professional and self-motivated approach, to set up this new department.

Please contact: Richard Meredith.

Jonathan Wren & Co. Ltd, 170 Bishopsgate, London, EC2M 4LX. Tel: 01-623 1266.

Jonathan Wren
BANKING APPOINTMENTS

MARKETING DIRECTOR CITY

Apply your General Marketing Experience to an Exciting City Opportunity. Salary up to £30,000

Extel

You would be joining the Board of an important subsidiary of the £150m. turnover Extel Group. This subsidiary is a leader in the supply of computer based information services to the UK financial community and major corporations. It is expanding its international operations in Europe, North America and the Far East. Profits are growing rapidly.

You would be creating a new job at Board level. Your task would be to carry out a rigorous evalution of the financial services market, to devise total company strategies for existing products, and to propose and help specify and launch new products. The market place is highly competitive. Your role would be central to the company's future and opportunities for progression are excellent.

You must have had first class experience in marketing, especially strategic planning and product management. It is not important from which industry you come. A good degree is essential. A salary of up to £30,000 is offered with a car and the usual big company benefits.

Your name will not be released until we hav briefed you and you have given your consent. Please write to me, Terence Hart Dyke, Consultant to the company.

Business Development Consultants (International) Ltd
63 Mansell Street, London E1 8AN

BDC

Bankers
Aged 26-35

Looking for exciting career opportunities?

TSB England and Wales is growing in both the personal and commercial sectors and is offering a wider range of services to more customers. Because of this, we are looking for experienced bankers throughout England and Wales especially in London and the South East.

Candidates should be aged 26-35, qualified AIB with a good banking background, wide financial experience and fully mobile. An ability to achieve results and meet objectives is essential, as are sound management skills.

After a short assimilation period successful candidates will be appointed to Assistant Branch Manager and Branch Manager positions throughout England and Wales.

Salary will be dependent upon experience and ability.

In addition to the salary the successful candidates will receive the usual attractive benefits associated with a banking organisation.

TSB BANK

Please apply in confidence, enclosing a full CV to
Mr. C.P. Allison, Development and Training Manager,
TSB England and Wales, P.O. Box 99, St. Mary's Court,
100 Lower Thames Street, London EC3R 6AQ,
to arrive no later than 14th December 1984. Quote Ref. No. AFT

WISE, SPEKE & CO
INSTITUTIONAL SALES
NEWCASTLE UPON TYNE

Institutional sales from Newcastle upon Tyne? Sounds improbable perhaps but we've shown it can be done, in size too.

After all, we are a well-known firm with good research on national companies and an efficient dealing operation in London. We're frequently in the City and in Edinburgh.

Northumbria is a fine place to live, especially for sports and countryside, and commuting is easy.

Why not consider a change? Find out more from Ben Speke, at home on (043471) 3080, or write in confidence, with a brief CV, to:

I.B. Speke,
Wise, Speke & Co,
Commercial Union House,
39 Pilgrim Street,
Newcastle upon Tyne,
NE1 6RQ.

Eurofi

E.E.C. and U.K. Investment Incentives for Industry and Commerce

CORPORATE AND FINANCIAL STRATEGISTS AND NEGOTIATORS

EUROFI (UK) LIMITED specialises in advising industry and commerce in the negotiation of all forms of financial incentives available from the Commission of the European Community and the Governments of Member States to encourage the development of new technology and investment in new manufacturing facilities.

EUROFI has offices in New York and Brussels and has recently doubled the number of UK operating offices to meet rapidly growing demands from international corporations and large businesses.

The Information Division is responsible for an intensive programme of public and private seminars for industrialists, corporate advisors and the public sector on all aspects of public sector finance for industry and commerce and publishes reference books on this subject.

THE PROJECT FINANCE DIVISION REQUIRES ADDITIONAL NEGOTIATORS WITH EXPERIENCE OF PUBLIC SECTOR FINANCIAL INCENTIVES.

Successful candidates will have a track record of advising Main Board Directors and Chairmen of large businesses and ideally will have held senior positions in both private industry and public sector organisations. Candidates must be able to demonstrate a high level of commercial acumen, financial and communicating skills and a thorough understanding of one or more sectors of technology.

The nature of this work requires high mobility within European Community Member States although it is likely that candidates will be domiciled in the UK. Successful candidates will operate from one of the following UK offices:

BEDFORD BIRMINGHAM CARDIFF EDINBURGH LEEDS NEWBURY

It is unlikely that candidates under 30 years of age and currently earning less than £25,000 per annum will have the necessary experience. Candidates are invited to write in the first instance enclosing a c.v. to:

Bernard Harris, Chief Executive, EUROFI (UK) LIMITED
25 London Road, Newbury, Berkshire RG13 1JL
Tel: 0635 31900 Telex 848791

We urgently require applications from dealers with a positive interest in the Middle East for the following:

Senior Deposit Dealer	cUS$ 60,000
Senior Spot Dealer	cUS$ 60,000
Assistant CH Arbitrage	cUS$ 70,000
FX Interbank Head	cUS$ 60,000
"All rounder"	cUS$ 50,000
Treasurer	cUS$120,000

ROGER PARKER ORGANISATION
4, London Wall Buildings
Blomfield Street, London EC2M 5NT
01-588 8161

Graduates:
Have you got a firm enough footing to climb to the top?

C&L

Coopers & Lybrand, one of the leading international firms of chartered accountants, are looking for a number of high calibre graduates who have already gained approximately 18 months' commercial experience, possibly in a legal or banking environment.

You may well consider that you should be achieving a more thorough understanding of the complexities of the business world. If your present position is not equipping you for the career your potential suggests and your ambition demands. Coopers & Lybrand has the answer. Our 3 year training programme will harness and build upon your previous experience. It will also provide you with an internationally respected qualification, making you eligible for the highest rewards in this challenging profession.

We are looking for ambitious, talented and enthusiastic men and women to take up positions starting in February 1985. There will be opportunities to train in our audit department, in our tax department and in our Business Services Group, providing services to small emerging businesses.

If you have ambition, talent and enthusiasm, and recognise the importance of establishing a firm base for the future, convince us of your potential by contacting Elizabeth Warren, National Student Manager on 01-606 4040 (Ext. 2805) for further information and an application form.

Coopers & Lybrand | Abacus House, Gutter Lane, Cheapside, London EC2V 8AH

STOCKBROKERS — MANAGER'S ASSISTANT

We are an expanding medium sized firm with a broadly based business covering UK and international markets, Eurobonds, financial futures, etc. We seek an intelligent person with all-round Stock Exchange experience, who wishes to progress. The work will involve internal audit and controls with general assistance to the office manager. The successful applicant will have a position of responsibility and seniority and should be 30-35 years of age. We expect to pay a competitive salary and other benefits.

Please reply, with cv, to Box A8814
Financial Times, 10 Cannon Street, London EC4P 4BY

INVESTMENT MANAGER

West End Merchant Bank requires Chartered Accountant with some years experience in Merchant Banking to organise investment department.

Salary £20/£25,000 + car

Please write Box. A8828, Financial Times, 10 Cannon Street, EC4P 4BY

JUNIOR FUND MANAGER/ANALYST
To £20,000 + Benefits

Our client, the Investment Banking arm of a successful European bank, has recently established an International Fund Management team in London. It now seeks to recruit graduates with at least two years' fund management/investment analysis experience gained in a stockbroking or merchant banking environment. Applicants should be au fait with either the U.K. or International Equity Market and knowledge of the Scandinavian market is a distinct advantage.

This is a small but dynamic team and rewards will be commensurate with the contribution made towards the growth of the portfolio's performance.

For further details, please contact Christopher Lawless B.A. or Stuart Clifford B.A.

MAJOR ADVERTISING AGENCY
£14,000 to £17,000 + Car

Our client requires three outstanding candidates for important financial positions. Those applying will need to be ambitious, personable and flexible in their attitude to work; as well as fitting the specific requirements as detailed below.

The first person will need to be a qualified ACA with excellent DP knowledge who wishes to combine both skills in an internal consultancy-type role. (Ref. 137.)

The second requirement is for a Chief Accountant, a good organiser, who is experienced with the ability to suggest and make changes wherever necessary. (Ref. 136.) Lastly they require a young, recently-qualified ACA for a Financial/Management Accounting position, personality is as important as technical skills. (Ref. 153.)

For further details, contact Graham Palfery-Smith B.A.

Badenoch & Clark
Recruitment Consultants
16-18 New Bridge Street, London EC4V 6AU
Tel: 01-583 0073

BANKING

PORTFOLIO INVESTMENT MANAGER

You should be aged 27-35 with 3-5 years' experience of managing Fixed Income Portfolios (especially in Euro Markets or Gilts) to join this prestigeous Merchant Bank.

You will manage the investment of multi-currency fixed income portfolios for central banks, Government agency and institutional clients, on a total discretionary basis. You will also be involved with the formulation of investment policy and the marketing of portfolio management services. A degree in Economics an advantage but not essential. This is a senior post and will carry a commensurate salary and package.

TRAINEE INVESTMENT MANAGER

This is a unique opportunity for an ambitious individual to join one of the City's leading management companies. You will be part of a growing concern handling in excess of £500 million (increasing) and will be trained in all aspects of the role. Candidates should have a (2:1) in Economics from one of the top universities and circa two years' post-graduate institutional investment experience from banking, broking or insurance. Salary will be from £9,500 to £12,000 according to age and experience.

For further details of these and our other career opportunities please call Robert Milne

439 4381

CRAWFORD RECRUITMENT SERVICES

Financial Services Marketing
Writer Researcher Presenter

DO YOU HAVE THE POTENTIAL?

Prudential Portfolio Managers - PPM - is the investment management subsidiary of Prudential Corporation. PPM is responsible for the successful investment management of the Prudential's own funds as well as those of a large number of clients outside of the Prudential Group.

With such an extensive client base, the reporting and liaison aspects of PPM's fund management activities are of vital importance. Accordingly, the investment services team is responsible for maintaining the high standard of service expected from the country's largest investing institution.

As a result of continued expansion, we are now looking for two energetic and enthusiastic graduates, aged 27-32, ideally with investment experience, who are able to write lucid investment analyses and reports. These will have to attract and hold the interest of a wide range of readers, many of whom will not themselves be investment or financial specialists. In addition, the work will include research into various aspects of the financial services industry and involve making presentations to existing and potential corporate clients.

PPM is actively pursuing a policy of expansion in the financial services field and therefore this job, as well as being stimulating and demanding in its own right, will also provide wide-ranging marketing experience. There will be considerable opportunities for rapid career development.

An attractive package will be negotiated up to £15,000 pa and fringe benefits include a subsidised mortgage scheme and non-contributory pension.

Please write with full CV in strict confidence to:
Alistair Turner, Personnel Officer,
Prudential Portfolio Managers Ltd.,
142 Holborn Bars, London EC1N 2NH.
Tel: 01-405 9222 ext 6571.

PPM
PRUDENTIAL PORTFOLIO MANAGERS LTD
A Member of the Prudential Group

Sales-Aid Leasing

A new sales-aid leasing operation based in North Hertfordshire and wholly owned by a leading merchant bank seeks a Marketing Director designate.

The successful candidate will not only be responsible for developing marketing strategies and programmes but will also work closely with the Managing Director to ensure that these plans are achieved in the field and that the company's demanding financial targets are met.

Applicants who should have a good educational background should preferably be in their thirties and will have had substantial experience of the sales-aid sector gained within the leasing or office equipment industries.

Remuneration and benefits for this key position should not be a limiting factor for the right applicant.

Apply Box No: A8827, Financial Times, 10 Cannon Street, London EC4P 4BY.

Sales Executives

Financial Markets — **to £23,000+**

Chase Econometrics/Interactive Data Corporation is a wholly-owned subsidiary of the Chase Manhattan Bank and are market leaders in providing financial information systems and decision support tools to the financial community in the City throughout Europe and the States.

An expanding product range and increasing demand for their IBM PC-based services frequently linked to powerful mainframe resources enable them to appoint two high-calibre Sales Executives to further promote their products in this challenging growth industry.

A sound knowledge of financial markets is the essential requirement. A proven record of success in a consultative sales role is highly advantageous. However, applicants with the desire and personality appropriate to a front-line position will also be considered.

To progress your career, marketing a sophisticated range of products and services within a blue chip organisation offering high potential earnings and excellent prospects, contact our recruiting consultants at Myriad (01-353 0981) quoting reference FT/2911 or write to them FREEPOST at 30, Fleet Street, EC4B 4AA.

London myriad Reading

Career Opportunity in Precious Metals

J. Aron & Company, a Division of Goldman Sachs, is looking to expand its precious metals activities.

We are seeking a highly-motivated, creative person to assist us in developing this important aspect of our business.

Candidates will have a good honours degree, will be in their 20's and will have between one and three years' experience in this or a broadly related field. Salaries and benefit will be commensurate with age and experience.

Please write to:—

Personnel Manager
Goldman Sachs International Corp
162 Queen Victoria Street
London EC4V 4DB

Goldman Sachs

All applications will be treated in the strictest confidence.

FOREX APPOINTMENTS

For Foreign Exchange and Money Market appointments at all levels consult a specialist

TERENCE STEPHENSON
Prince Rupert House, 9-10 College Hill, London EC4R 1AS - Tel: 01-248 0283
20 years market experience

CORPORATE FINANCE EXECUTIVE

£15,000

This is an excellent career opportunity in Merchant Banking for a newly Qualified Accountant (A.C.A.), to move immediately into Corporate Finance. You will be involved in assessing new business, mergers and acquisitions and Management presentations.

SYSTEMS ACCOUNTANT

£15,000

Leading Merchant Bank seeks a recently qualified A.C.A. whose main function will include the improvement, re-alignment and implementation of new banking systems. The position will entail a substantial amount of travel within Europe, the U.S.A. and the Far East, and candidates should be looking eventually to develop a career in banking.

INVESTMENT ANALYST

£12,000

Merchant Bank seeks graduate with 2 years experience in investment research, for expanding division. Economics degree pref., previous experience essential. Excellent prospects to move into Fund Management.

FOR FURTHER DETAILS PLEASE CALL
MIKE BLUNDELL JONES on
236 1113 (24 hours)
PORTMAN RECRUITMENT SERVICES

A direct line to the executive shortlist

InterExec is *the* organisation specialising in the confidential promotion of Senior Executives.

InterExec clients do not need to find vacancies or apply for appointments.

InterExec's qualified specialist staff, and access to over 100 unadvertised vacancies per week, enable new appointments at senior levels to be achieved rapidly, effectively and confidentially.

For a mutually exploratory meeting telephone:

InterExec

London	01-930 5041/8	19 Charing Cross Rd, W.C.2.
Birmingham	021-632 5648	The Rotunda, New St.
Bristol	0272 277315	30 Baldwin St.
Edinburgh	031-226 5680	47a George St.
Glasgow	041-332 3672	180 Hope St.
Leeds	0532 450243	12 St. Paul's St.
Manchester	061-236 8409	Faulkner Hse, Faulkner St.

The one who stands out

FOREIGN EXCHANGE, MONEY MARKET STERLING and LIFFE DEALERS

I am currently looking for a wide variety of specialist dealers for well known and respected banks in the City.

Specifically a Chief Dealer, 2 Senior Dealers (FX and MM), Sterling, LIFFE. 2 at No 2/3 on Spot and Spot/Forward.

Salaries range from c. £16,000-£30,000 plus usual banking benefits.

SHEILA JONES
Old Broad Street Bureau Limited
109 Old Broad Street
LONDON
EC2N 1AP
588 3991

ASSISTANT PORTFOLIO MANAGER

A London based international organisation urgently requires an Assistant Portfolio Manager in his/her 20s with experience in the European Market. Good Salary and Benefits

Candidates should apply with Curriculum Vitae to:
Box A8825, Financial Times, 10 Cannon Street, London EC4P 4BY

International Appointments

BANKING IN EUROPE

The European Division of this specialist Bank Recruitment Consultancy carries a wide ranging portfolio of assignments including the following:

HEAD OF BOND TRADING DEPT SVP Frankfurt	DM 150,000±	**LEGAL OFFICER** Luxembourg	Negotiable
FOREIGN EXCHANGE MANAGER SVP Frankfurt	DM 200,000	**FOREIGN EXCHANGE MANAGER** Scandinavia	SW Krone 350,000±
ACCOUNT OFFICER, LEASING AVP Frankfurt	DM 100,000+bens	**CORPORATE ACCOUNT OFFICER AVP/VP** Stockholm	SW Krone 350,000=
INSTITUTIONAL SALES SVP Frankfurt	Negotiable	**FOREIGN EXCHANGE MANAGER** (German-speaking) Paris	FF 350-400,000
INTERNATIONAL INVESTMENTS AVP Frankfurt	DM 100,000±	**OPERATIONS MANAGER** Paris	FF 350-400,000
CORPORATE DEALERS AVP Frankfurt	DM 100-120,000	**ASSISTANT SYSTEMS MANAGER** Paris	c. FF 230,000
INTERNATIONAL LENDING Stuttgart	DM 80,000+bens	**EDP AUDITOR** Paris	To FF 300,000
PRIVATE BANKING AVP Luxembourg	DM 80-100,000	**SENIOR DEALER** Paris	Negotiable
ACCOUNT OFFICER, LEASING AVP Luxembourg.	Negotiable	**A FORFAIT EXECUTIVE** Paris	To FF 500,000
MERCHANT BANKER VP Luxembourg	BF 3.3m	**SENIOR PORTFOLIO MANAGER** (European equity markets) Paris	Negotiable

Please send a detailed Curriculum Vitae in confidence to Laila Rafique or Christopher Evans, Jonathan Wren International, 170 Bishopsgate, London EC2M 4LX. Telephone: 01-623 1266.
No identities divulged without permission.

Jonathan Wren International Ltd
Banking Consultants

Foreign Exchange Manager

A start-up challenge in Singapore

COPENHAGEN HANDELSBANK A/S

Copenhagen Handelsbank A/S, one of Denmark's two largest commercial banks, will soon be opening a branch in Singapore. The branch will be responsible for developing the Bank's wholesale banking business throughout SE Asia and in Hong Kong.

The Bank sees the creation of a strong treasury department as a key component in the successful start-up and long-term development of the Singapore branch. As the Foreign Exchange Manager, you would be responsible for building up the treasury. Your foreign exchange and money-market dealing team in the first year is expected to comprise two Singaporeans and one *Dane* from *Head Office* who will concentrate on Scandinavian currencies. The dealing room will transact both commercial and interbank business.

To apply, you should be able to demonstrate a successful track record in foreign exchange and liability management, and be adept both in managing dealing-room personnel and in working closely with the wholesale lending department at a commercial or merchant bank.

The likely age range is 30–40; experience of Asian markets and of Scandinavian currencies, while useful, is not essential.

The remuneration package, which includes a full range of expatriate benefits, reflects the considerable importance which the Bank attaches to this appointment and the need to attract an experienced manager. In taking this position, you would be joining Copenhagen Handelsbank's international team of treasury specialists and you would be able to look forward to a career with the Bank which may not necessarily be confined to Asia. This initial assignment in Singapore is expected to be for around three years.

Selected candidates will be invited to discuss this appointment on a confidential basis with PA at our offices in banking centres around the world. Please send a concise curriculum vitae, in confidence, to our London Office.

Applications should quote Ref: AA54/8997/FT, and be addressed to Gary Gibbons, Group Manager, Banking and Finance Group.

PA Personnel Services

Hyde Park House, 60a Knightsbridge, London SW1X 7LE.
Tel: 01-235 6060 Telex: 27874

We are one of the leading international commercial banks.
In Brussels, in addition to our normal banking activities, we operate the Euro-clear System, the world's largest clearing system for Eurobonds and internationally traded securities.
We wish to appoint a (m/f)

SYSTEMS LIAISON MANAGER

at an executive level in our Financial Division.

The successful candidate will participate in the definition and conceptual design of a new financial system in a highly sophisticated data processing environment. In addition he will represent the Financial Division in systems development project meetings and must be capable of ensuring that projects will result in compliance with good accounting policies and the generation of comprehensive management financial information.

Candidates, in their late twenties or early thirties, will be qualified accountants, will have had at least five years experience in an accounting and control function with complex computerized financial systems, will have participated in financial systems development projects and must have strong leadership and communication capabilities. Fluency in English (oral and written) is essential and a working knowledge of French and Dutch together with experience and knowledge of the future potential of personal computers in a business environment will be considered an asset.

Salary is negotiable and will reflect the candidate's qualification, experience and the importance of the position.

Please write, enclosing a curriculum vitae, to Mrs. Bernadette Antoine, at Morgan Guaranty Trust Company of New York, avenue des Arts 35, B-1040 Brussels, Belgium.

The Morgan Bank

EMPLOYMENT CONDITIONS ABROAD LIMITED

An International Association of Employers providing confidential information to its member companies, relating to employment of expatriates and nationals worldwide.

01-637 7604

INTERNATIONAL APPOINTMENTS

Rate £34.50 per single column centimetre

We are a worldwide organization, operating sophisticated telecommunications networks for teletransmissions in the banking sector
We are now looking for a

standards & bank procedures specialist
(m/f–FT 84/02)

We are looking for an experienced banker, used to work with international banking procedures, standards and forms.
His knowledge in the field of banking operations covers documentary credits, Nostro accounts management, foreign exchange. He must also have data processing experience.
His function will be to assist with the development of new message standards, monitor the use of existing Message Text standards and encourage their use by bankers; to develop and monitor users training.

Ideal candidates will be between 30 and 40 years old, with a good working knowledge of spoken and written English (report writing, oral presentation). Knowledge of other languages is a definite asset.
Our company offers outstanding career opportunities in a young international team with an excellent working environment and a very attractive financial package.

Please submit your detailed resume and photo to our consultants
Jerry RUBIN - Personnel Consultant - Chaussée de La Hulpe 185 - 1170 Brussels.
All applications will be answered.
Absolute discretion is guaranteed.

Group Finance Manager

Kuwait **Salary negotiable**

Our client is a substantial and established Kuwaiti trading group with diverse trading, manufacturing and distribution interests.

A qualified accountant is required for the role of Group Finance Manager, reporting to the group's General Manager. Responsibilities will include group financial reporting, management accounting for each trading subsidiary and data processing. The company has substantial DP resources and the DP Manager will report to the Group Finance Manager.

Applicants, who must hold an internationally acknowledged accountancy qualification, should be aged 35-50 with senior level experience of controlling a broad based accounting and administration function in a sizeable trading organisation. Experience of reporting to local proprietors and controlling local staff in a Middle East environment is highly desirable.

This position is offered on a two year renewable contract basis with a negotiable salary and an attractive range of expatriate benefits.

Interviews may be conducted in the Middle East or in London but in the first instance please send full career details to Douglas G Mizon quoting reference F794M.

Ernst & Whinney Management Consultants,
Becket House, 1 Lambeth Palace Road, London SE1 7EU.

FOREIGN EXCHANGE DEALER

An opportunity exists for a Forex dealer who has had at least three years' experience in running an exchange book in a major trading bank to join an expanding international bank in Luxembourg.

The successful candidate will be aged in the range 25-30 and preference will be given to single candidates with knowledge of another European language.

The salary is highly competitive as are the related fringe benefits, and the position will offer the successful candidate an ideal opportunity to develop his or her skills and reputation in a demanding and exhilarating environment.

In the first instance please send full CV to:

Mrs V. Schuster
International Bankers Incorporated SA,
41 Boulevard Du Prince Henri,
Luxembourg.

Audit Controllers

Tax Free Salary **Bahrain**

Gulf Air, the prestigious national airline of the Gulf States has opportunities for the following *Audit Controllers in friendly and cosmopolitan Bahrain.*

Computer Audit Controller - (Ref CAC/1)

We make extensive use of computerised systems and plan to upgrade and expand them even further. The successful candidate will ensure that our high standards are maintained by reviewing and appraising the financial and operational computer systems and advising management of the effectiveness of the procedures and controls.

For this position we require a professionally qualified accountant with at least 3 years of *computer audit experience gained in a large professional firm or industry.*

Audit Controller - (Ref AC/2)

Recent expansion of our internal audit department has necessitated recruitment of an additional audit controller. We place emphasis on management and operational audits rather than purely financial audits. The successful candidate will be required to control and undertake audit assignments in our varied and diversified financial and operational areas.

For this position we require a Chartered Accountant or somone with equivalent qualifications *and at least 3 years of audit experience gained in an internal audit department in industry or a large* professional firm. Good communications skills, both oral and in writing, are necessary for this position.

Both these positions are in our internal audit department reporting direct to Head of Internal Audit.

We offer an excellent tax-free salary, free furnished accommodation, passage paid leave to home base and all other generous benefits you would expect from a successful and profitable international airline.

Please write with full CV, a recent passport size photograph and quoting *the relevant reference to:*

Personnel Controller – Europe,
Gulf Air, Room 221, East Wing, Terminal 3,
London Heathrow Airport, Hounslow, Middlesex.

طيران الخليج GULF AIR

GIRA AGRI-BUSINESS CONSULTANCY AND INDUSTRIAL MARKET RESEARCH

GIRA, with headquarters in GENEVA, Switzerland, is one of the leading agri-business consulting and industrial market research companies in West Europe and its activities are worldwide. Major fields of operation in soft commodities include meat, cereals, oils, cocoa, coffee, etc. right through from the raw material commodity to final consumer products.

Within this our projects are varied and include price forecasting, feasibility and acquisition studies, through joint venture partner selection, to strategic market research studies. Our clients are from all over the world in both the public and private sectors.

We are seeking highly motivated researchers:

- age 25-30
- honours degree (not necessarily economics, but normally upper second grade or better)
- 3-5 years' relevant experience in industry, consultancy or research company
- proven report writing ability
- *languages: English and French, with German/Spanish optional*
- ability to travel

Interested candidates should send their cv's showing full details including present salary to: Personnel Director, GIRA SA, CH-1239 Collex/Geneva.

WANTED

Mechanical Electrical
Instrumentation Corrosion control

ENGINEERS

to work with a small growing engineering firm in Saudi Arabia. Candidate must have a degree in engineering with a minimum of five years' experience in oil, gas and petrochemical industries.

Applicant should be capable of performing and directing detailed design and participating in marketing and business development. He should be able to lead/supervise a group of less than 10 design engineers.

Applicant should be able to serve as a project manager and lead design engineers on the detailed design of small industrial plant projects up to 10,000 manhours.

Please send résumés to:

Administrative Manager
S.A.K. CONSULTANTS
P.O. Box 2186, Al Khobar, Saudi Arabia 31952

Interviews will be conducted in London in mid-December 1984

Project Financing

One of the largest international merchant banks located in Paris and London requires for its Paris Project Financing Department an

International Banker

He will be responsible for analysing projects on a technical and financial basis and will be involved in structuring financings and in the preparation of their documentation. Additionally, he will actively contribute to the Department's marketing activities and assume client relationships.

Applicants, preferably aged between 32 and 36 will meet the following requirements: MBA degree or equivalent. Approximately 8 years experience in the project department of a major bank, preferably in the mining and/or oil and gas sector. Engineering degree or MSc would be an asset. Fluency in English and preferably a working knowledge of French.

Applications with detailed curriculum vitae will be treated in the strictest confidence and should be sent to HAVAS-CONTACT, reference 78046 FT, 1, place du Palais-Royal, 75001 PARIS *(France), who will transmit.*

HAVAS CONTACT

Accountancy Appointments

Accountancy Appointments

Accountancy Appointments

FINANCE DIRECTOR

West Country
Up to £22,000 + car + bonus

The Company has its own identity but is part of one of the most prestigious British engineering groups. It manufactures a variety of sophisticated mechanical, electrical and electronic products for UK and increasingly export markets. There is considerable Government involvement and the Ministry of Defence is a major customer.

You will be responsible to the Managing Director for all aspects of the Company's financial health, embracing financial, management and business development accounting, wages salaries and pensions, and DP. You will chair the steering committee formed to introduce computer control into the manufacturing and financial management of the Company. You will be joining at a time of great change for the Company, and will be party to far-reaching decisions concerning its future.

You will be a Chartered Accountant, preferably under 45, with good communication skills and proven planning ability. Your rewards will be a base salary of up to £22,000 pa plus a Company performance related bonus. A prestige car is provided and the Company will pay the full cost of your removal.

Your name will not be released until we have briefed you and you have given your consent. Please write to me, Geoffrey Hunt, Consultant to the Company.

Business Development Consultants (International) Ltd
63 Mansell Street London E1 8AN

BDC

COMPANY ACCOUNTANT

LONDON–WEST END
£17,000 + CAR

An exciting opportunity is being offered by one of our clients, a fast growing film production company with a current annual turnover of around £3 million.

You should have 3 years' qualified experience and be able to organise a system of management and accountancy controls. You will have to provide budget information to producers and will be responsible for controlling a staff of three plus a computer. The company require a person with patience, enthusiasm and charm, and the ability to deal with volatile, creative people. The successful applicant is unlikely to be under 28 years of age but must be adaptable.

If you think you can thrive in this sort of environment, you can be assured of a rising salary as well as a challenging career.

Interested applicants should write to:
Clive Parritt,
Howard Tilly Associates,
Commonwealth House,
1 New Oxford Street, London WC1A 1PF.

HTA HOWARD TILLY ASSOCIATES LTD
MANAGEMENT CONSULTANTS

Director of Finance

Salary negotiable — **France, South of Paris**

For the French subsidiary of a major UK multinational with a T/O of £45 million. The company manufactures and distributes a wide range of agricultural tools and equipment worldwide.

Reporting to the main Board Director, the Director of Finance, aged 35-45, must be a qualified accountant, preferably ACA and fluent in the French language.

To be eligible for this challenging appointment, candidates must have worked at senior financial level in a French company and be used to operating both British and French accounting standards and procedures. Experience gained in an engineering or manufacturing environment is essential.

The Director of Finance will need to be a self-starter, a good motivator with the necessary technical and commercial skills to contribute to the future success of the company.

A commensurate salary with benefits is negotiable.

Reply in confidence, C.V. and photograph to Brian Luxton, quoting Ref: 6748.

Mervyn Hughes Alexandre Tic (International) Ltd.
Management Recruitment Consultants
MHAT
37 Golden Square, London W1R 7AN.
01-434 4091

Financial Executive Property Sector

West End — **c£20,000+car**

Our client is a dynamic and newly formed property company enjoying strong associations with a major financial institution. It now seeks to develop its broad based activities by the appointment of a Financial Executive.

Reporting to the Chairman and Managing Director, this role will take sole responsibility for the accounting function. Working closely with professional advisors and senior management, the successful candidate will be required to appraise and implement new systems and control procedures.

Aged 28+, candidates will be qualified accountants (preferably graduates) with at least 1 year's p.q.e. and exposure to computer techniques. A sound knowledge of financing commercial real estate, development and investment as well as tax experience would be a distinct advantage. An enthusiastic and mature approach together with the potential to make a significant contribution in this enterprising environment will be substantially rewarded.

Interested applicants should write to Philip Cartwright ACMA, Executive Division, enclosing a comprehensive c.v., quoting ref. 186 at 31 Southampton Row, London WC1B 5HY.

MP
Michael Page Partnership
International Recruitment Consultants
London New York Bristol
Birmingham Manchester Leeds Glasgow

Finance Director

West Midlands — **c£17,000 + Bonus + Car**

Our client is a wholly owned subsidiary (t/o in excess of £15m) of a substantial British manufacturing and marketing group. Their products are renowned for superior quality, and the company is recognised as a market leader in its field. Planned growth and development has resulted in the need for a qualified accountant (aged 30-40) to join the senior management team.

Working closely with the Managing Director, the successful applicant will quickly assume full responsibility for the accounting function. It is also anticipated that the incumbent will play a leading role in the formulation of profitability studies, long term planning and the negotiation, costing and approval of major contracts. It is essential therefore that applicants demonstrate not only sound technical knowledge, but also entrepreneurial ability, a positive commercial attitude and a genuine interest in the wider aspects of business.

This highly challenging role offers an exceptional opportunity to make an immediate impact at a senior level. There is also considerable scope within the group for longer term career development either within the finance function, or alternatively into general management.

Applicants should write to Terry Benson, enclosing a comprehensive curriculum vitae, under ref B6174, at Michael Page Partnership, Bennetts Court, 6 Bennetts Hill, Birmingham B2 5ST.

MP
Michael Page Partnership
International Recruitment Consultants
London New York Bristol
Birmingham Manchester Leeds Glasgow

European Travel - Oil Industry

c£17K — **Central London base**

The UK and European operations of a well known international petroleum company (US parent) requires a highly professional self-starter. This important role provides invaluable international business exposure, involving high level responsibility and liaison at senior management and Board level.

Duties will cover a wide range of management, operational and computerised audits and investigations in the areas of oil exploration, petroleum production and other related manufacturing and sales organisations throughout Europe.

Eligible candidates will be chartered accountants, aged 26-34, with reasonable fluency in at least one other European language, who are prepared to travel extensively (up to 60% of time).

Applications in confidence under ref: 6752 to Brian G. Luxton

Mervyn Hughes Alexandre Tic (International) Ltd.
Management Recruitment Consultants
MHAT
37 Golden Square, London W1R 7AN.
01-434 4091

Management Accounting

innovation...development... management
to £13,000 : North West

First class industrial management skills are sought by this £15 million Cheshire based engineering company—a subsidiary of a large publicly quoted highly profitable group with an ambitious acquisition policy.

Candidates, who must be qualified accountants with industrial experience, will have the necessary personal qualities to enable them to run a busy accounts department and to develop and manage a small team.

The appointment could appeal to young accountants (age 26) looking for real 'company accountant' responsibility or to the older person (age 38) with a portfolio of proven experience and systems knowledge. Either way familiarity with computerised accounts is essential. Success in this appointment could lead to further group-wide opportunities.

Write with full c.v. and salary details, quoting reference AR/501, to March Personnel Services, 33 King Street, Manchester. M2 6AA.

MARCH
PERSONNEL SERVICES

Ambitious ACA Business Planning and Control

City — **To £15,000**

Due to expansion, a recently qualified ACA, preferably with some experience of Lloyd's gained either in or outside the audit function, is required for a high profile position within one of the leading institutions in the City.

Involved in monitoring the financial requirements concerning Lloyd's Brokers', you will be responsible for reviewing Brokers annual solvency data, and determining the financial consequences of acquisitions, mergers, etc. including the consideration of business plans.

You will ideally be aged mid to late 20's. Immaculate presentation is essential, as are first class interpersonal skills. Drive, enthusiasm and the ability to work with minimum supervision are prerequisites.

To apply please contact Jacqueline Boyd quoting ref: JB 8311.

Lloyd Chapman Associates
160, New Bond Street, London W1Y 0HR 01-408 1670

EUROPEAN TROUBLESHOOTERS

YOUNG ACA/ACMA's — **£15,000-£18,000+**

Our client is a U.S. multi-national with extensive European interests. These are carefully monitored by a small but cheerful, high-powered London-based team. Controlled expansion of this team due to recent $450m acquisition has resulted in two vacancies for recently-qualified ACA/ACMAs in the probable age range 22-27.

The ideal candidate should have spent time preferably with a U.K. TOP TEN PROFESSIONAL FIRM and have a SECOND FLUENT EUROPEAN LANGUAGE with some additional basic facility in a third.

As always, personal presentation is paramount and a pleasing personality and good communication skills are of the utmost importance.

Please contact:

GEORGE D. MAXWELL
Managing Director
Accountancy Appointments Europe
1-3 Mortimer Street, London W1
Tel: 01-580 7695/7739 or
01-637 5277 ext. 281/282

Accountancy Appointments Europe

Finance Director

Leading business education, scientific, technical, medical, professional and computer books publisher with sales of £6,000,000 per annum and a staff of 125, seeks someone who will contribute creatively to the most exciting decade of expansion in the history of the company.

Responsibilities will embrace all financial affairs of the company and its US and Singapore subsidiaries, together with direction of the Southport based distribution centre, where during the next two years a full overhaul of all computer facilities will be undertaken.

Experience in publishing will be an obvious advantage but not a prerequisite for the successful candidate. More important is an impeccable record coupled with a demonstrable desire to actively contribute to the company's profitability. A sense of humour would be an added advantage.

Salary in excess of £20,000. Please send full C.V. in confidence to: Stephen Neal, Managing Director, Pitman Publishing, 128 Long Acre, London, WC2E 9AN, telephone number 01-379 7383

Pitman

Hoggett Bowers

Executive Search and Selection Consultants
BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

Chief Accountant (Designate)

South Herts/N. W. London, to £15,000

Our client, a market leader in the computer services field, is the £11m t/o UK subsidiary of a British based European group. The position carries responsibility for managing the financial aspects of the company's operation with particular emphasis on the timely provision and interpretation of management information and the development of systems. Extensive use is made of computers and other high technology office products. Candidates must be qualified, preferably ACMA, and have previous experience at supervisory or management level. Career prospects are excellent.

E. Sutton, Ref: 17276/FT. Male or female candidates should telephone in confidence for a Personal History Form 01-734 6852, Sutherland House, 5/6 Argyll Street, LONDON, W1V 1AD.

هكذا من الأصل

THE ARTS

The Pope's Wedding/Royal Court

Michael Coveney

Between 1958, when he first submitted plays to the theatre, and 1966, when he made his name with *Saved*, Edward Bond was made to feel slightly at home and at ease by the Royal Court. There is no better example of the Court's value as a nursery of new theatre writing. *The Pope's Wedding* was given a Sunday night airing in 1962. There have been very few revivals since; a 1973 Exeter version came to the Bush. Max Stafford-Clarke's achingly beautiful production of Bond's first performed piece restores a wonderful young man's play, warts and all, with the confidence of hindsight and a sure feel for the pre-Beatles 1960s era.

The title hints at an impossible event. You will not see the Pope, let alone his wife. The setting is rural Essex, with mention of Dunmow, Saffron, Finching and Stortford. A group of young farm workers, rocker hairstyles set for Saturday night, is aimlessly engaged in drinking, kicking stones, talking about girls. Bond's invented dialect—a sort of East Anglian Mummerset he has often employed, most happily perhaps in *The Fool*—is as impenetrable, in the first place, as is David Mamet's salespeak. But you start to pick it up as Scopey becomes increasingly detached from his peer group. Scopey lifts up Pat's skirt. He breaks the strap of her handbag. The technical skill in the writing is extraordinary.

The transfiguration of Scopey—a precursor of Len in *Saved*, to be revived here next month—is complete in the cricket match scene. The composition of this scene, most of it in stage directions, is superb. Stafford-Clark's direction transcends it.

Joanne Walley, Adrian Dunbar, Lesley Manville, Peter-Hugo Daly, Gary Olsen and Gary Oldman

Scopey wins the match in glorious fashion. But as he crashes, Botham-like to glory, watch the wicket-keeper's slow-motion disconsolate reactions: he happens to be played by Gerard Horan who is otherwise Bill, Pat's fiancé. Scopey and Pat are next seen making furtive love as the lads tumble out of the pub.

These scenes, with Peter Hartwell's stark design of green and blue painted corrugated iron and brickwork brilliantly lit by Andy Phillips, have a tension that is both plastic and coruscating. The play becomes murky, mysterious, when we meet the old tramp, Alen, wrapped up in his balaclava and army greatcoat. Alen is a bogeyman, an outcast. We see him shuffling papers and being visited by Pat (the excellent Lesley Manville), who has promised to do his shopping. Scopey gradually becomes intrigued by Alen, as a fellow "personality" in the community. What does Alen represent, what does he know? As the play continues, Pat and Scopey are married. In one scene they go to bed. Later, divided perhaps by the image of Alen, Scopey is too tired for sex. Pat has visited Alen as a duty. Scopey usurps her charitable role with obsessive urgency.

This is all conveyed in writing of strange and elliptical beauty. Even more so, it is conveyed in Gary Oldman's stunning performance as Scopey. He presents a superb portrait of a young man attracted to a role in life he does not comprehend, in an impulsive mixture of envy, fear and sheer instinct. Bond's violence, unseen in this play, takes a weird turn as Scopey's graduation from being one of the lads is dramatised in his assumption of Alen's identity. More to life than cricket heroism. But what?

Swedish Royal Opera/Andrew Clements

Maxwell Davies challenges Stockholm

The Operan, the Swedish Royal Opera, has a new director, Lars af Malmborg, who has just begun his first season. He brings to his appointment firm views, forcefully expressed—that an opera house should not be regarded just as a museum, a guardian of the historical past, but should be seen to promote and encourage new opera and new, younger generations of opera-goers. They are brave sentiments, and Mr Malmberg has already begun to turn his policies into performances: each coming season he plans to commission and present a new opera by a Swedish composer.

But for his first venture into the contemporary repertory he turned, somewhat surprisingly perhaps and certainly boldly to Peter Maxwell Davies. On Saturday evening in the King's Theatre, Stockholm the Swedish premiere of *Taverner*, directed by Göran O. Eriksson, was only the second production of the opera anywhere. Earlier the same day in the Opera House's Rotundan, an unstructured performing space which apparently doubles also as a restaurant, there was a staging by Ann-Margret Pettersson of *The Lighthouse*, or to give its Swedish title, *Fyren*: another of Mr Malmberg's fervent beliefs is that opera in his house should be sung in the vernacular, and therefore both performances used Swedish translations of Davies's librettos.

Taverner was first seen at Covent Garden in 1972, produced by Michael Geliot, and has been revived there once, in 1983. In a Press conference before the Stockholm premier Davies described it as a 'student work,' written without expectation of performance. But such a description, like his recent condemnation of an orchestral masterpiece like *Worldes Blis* as an apprentice piece, needs to be taken with a pinch of salt. While the libretto was certainly hammered into shape while he was a graduate student at Princeton between 1962 and 1964, and the initial idea of an opera around the life of John Taverner dates back to his Manchester days, the composition of the music covered a longer period and was not completed until 1968, when Davies was a most accomplished composer.

But there is no doubt that writing the opera over so many years was an artistic catharsis for Davies. It refined the technique which has essentially remained the core of his style ever since, and released within him a need to invent and explore a very different kind of musical drama: *Eight Songs for a Mad King*, *Vesalii Icones* and their descendants undoubtedly draw upon the dramatic experience obtained from *Taverner* but they also represent a pungent, concise antithesis to the grand-opera trappings of their predecessor. They tend to be "operas" of action, musical and theatrical, while *Taverner* concerns itself with ideas.

And therein lies the problem. For the Stockholm production convinced me at least that *Taverner* defies effective stage persecution, simply lacks the musico-dramatic framework to make it a compelling piece of theatre. Davies's student concept of an opera about the dilemma of a creative artist caught between two colliding theologies is in the way he conceived it unmanageable. It contains some undoubtedly effective dramatic moments (most of them in the second act), but three scenes fundamental to the plot—Taverner's trial at the opening of the opera and the two dialogues between the King and his Cardinal—seem to me quite inert theatrically.

More could be done to make the stage business interesting than was managed either at Covent Garden or in Stockholm, though whether this could be achieved without introducing elements quite irrelevant to the plot is another matter. Perhaps the London stage machinery was visually sharper (the Swedish wheel of fortune in the last scene of the first act was a feeble, half-hearted affair), perhaps the Stockholm chorus was more attractively costumed. But both productions settled for presenting the opera as a series of essentially static tableaux.

Eriksson's single innovation was a decision to introduce dancers for the two orchestral interludes preceding the scenes between King and Cardinal, extrapolating the series of dances played by the on-stage bands while the confrontations take place. But so much of Davies' lapidary score uses purely musical means—such as parody and transformation—to convey concepts which conventionally an opera composed would make verbally and visually explicit that a director is left with little margin in which to work, save to present the piece passively as a costumed oratorio.

On the first night many of the cast seemed still to be feeling themselves into their roles: the singing was generally adequate, sometimes less than that, though Staffan Sandlund took the role of the Jester with confident, well cultured tone, even if the production did not allow him the freedom of action the character demands. Dogged determination was the rule—Thomas Sunnegardh's Taverner was accurate but vocally underpowered, Lars Kullenbo's White Abbot pallid and ineffective. Otherwise Gary Berkson's strong and committed conducting failed to produce any stirring results; the real drama remains in the orchestral music, and I am yet to be persuaded that a better sample of Davies's *Taverner* phase is not his purely orchestral Second Taverner Fantasia (1964), which does in 30 minutes what the opera fails to achieve in over two hours.

Just how much more sharply honed Dabies's dramatic instincts have become was demonstrated by *The Lighthouse*. Those who saw the Fires of London production first in Edinburgh in 1980 and later in London will remember its claustrophobic effectiveness. The Stockholm production if anything enhanced that. It was most splendidly presented, acted and sung, with first-rate instrumental playing from members fo the Opera House orchestra under Kjell Ingebretsen. It's a work strong on theatricality, a little thinner in musical substance, and Miss Pettersson's presentation recognised that.

She took the opportunity to underscore action where appropriate: the solo horn which interrogates the three officers in the prologue was costumed as a lawyer the band which accompanies Arthur's hell-fire hymn was got up in Salvation Army uniforms, while the psychological state of the three protagonists was constantly mapped in a series of back projections that at the same time suggested possible solutions to the terrifying vision of the Beast which drives them to destruction.

It is an opera that places a great deal of responsibility upon the three singers to generate and sustain its intensity. All of them managed superbly: Martti Wallen was a glowering menacing Arthur, the bible basher who brings the first feeling of apocalypse upon his colleagues, Magnus Lindén a throughly unsavory Torsten (his name is Blazes in the English version, but it was changed to give it some kind of Swedish resonance), Lars Magnusson a most impressive Sandy, the romantic whose pastoral vision appears to have the most sombre undertones. Their acting was convincing and constantly imaginative.

Such was the potency of the performances that one regretted being unable to understand the text very little. A Swedish colleague found around half of the words *comprehensible*, a fair proportion when the stresses of the two languages are often so different. I refrained from inquiring whether *Taverner* made as much sense in its translation.

Record Review/Ronald Crichton

A warm welcome for Chabrier

To find recordings of Chabrier's comic operas *L'Etoile* and *Le Roi malgré lui* on one's doorstep in the same parcel has the improbability of a dream—one half expects them to vanish into thin air. *L'Etoile*, the earlier and slighter of the two, has turned up twice in London since the war in amateur or student productions and was recently revived in Paris, and reviewed here by Max Loppert. This was an import of the Lyon production which forms the basis of the excellent French EMI recording (2 discs in box, 27 0086 3)—the show returns to the Opéra-Comique for a number of performances at Christmas.

L'Etoile is strictly an operetta with a frothy, absurd libretto (in which are embedded scraps by Verlaine) about an astrologically-minded king led to believe that his fate is bound up with the life of an itinerant pedlar he had wanted to have murdered. The recording includes the dialogue, spoken by the singers with such dazzling point and speed that one can hardly believe it was the *source of the English versions*. The music is light and iridescent as birds' feathers and as sharp as a bird's beak. No wonder French musicians love it—Debussy, one is told, used to sing and play through *L'Etoile* from end to end.

John Eliot Gardiner, director of music at the Lyon Opera, brings a clean and springy touch to the score, doing full justice as well to the lyrical moments. Behind the drollery and truculence, Chabrier had a warm heart. As King Ouf the First, Georges Gautier shows himself a tenor-comedian in the line of Michel Sénéchal. Gabriel Bacquier is admirably restrained as the shifty astrologer, the sopranos Ghyslaine Raphanel and Magali Damonte are fresh and spruce. The performance is crowned by the delicious Colette Alliot-Lugaz (heard but not often enough, at Glyndebourne) in the breeches part of the pedlar Lazuli—a perfect demonstration of how this type of role should be done. Altogether this is an object-lesson to British companies who attempt French opera on any level.

Le Roi malgré lui is weightier, a fully-fledged comic opera, even more passionately admired by French musicians, but never securely established in the opera house. Chabrier saddled himself with a libretto (by de Najac and Burani, tinkered with by others) that deserves its bad reputation. The unwilling king of the title is Henri III, the last Valois, who reigned in Poland before succeeding his brother in France. In the opera, which is set in Poland, Henri changes places with his friend the Comte de Nangis and takes part in a plot against himself. The ins and outs of the plot are as complicated as they are uninteresting. For that reason, the producers of the recording (Erato, 3 records—5 sides—in box, NUM 751623) were justified in omitting the spoken dialogue. A full libretto in French and English and German is provided, often differing from the version in the vocal score.

The opera is stuffed with musical plums—vital rhythm, local colour, highly spiced harmony (more of this than Chabrier's compatriots commonly admit, I suspect, derives from Wagner), itching sensuality. Many consider *Le Roi* Chabrier's masterpiece, yet although I have known and loved it for years, I am not sure. The word "stuffed" was deliberately chosen. "He wants to put too much in" wrote Reynaldo Hahn, who adored his music, "he overloads his canvas (il fatigue sa toile)." Both in choosing his subject and in writing the music, Chabrier charged ahead too fast, as if he sensed that his composing career was going to be short. This is where his incomplete training shows. Massenet, less genially gifted, more professional (and much less attractive as a character) would have been more prudent, and stingier.

Writing after a Radio 3 broadcast in 1973, Andrew Porter diagnosed "a problem of tone." The libretto of *Le Roi malgré lui* never establishes the climate of absurd fantasy that makes the nonsense of *L'Etoile* acceptable. The score of *Le Roi* includes fine examples of the composer's utterly individual vein of simple emotional reticence, often expressed modally (as in the lovely "Idylle" for solo piano and the gravely ambiguous *Valse romantique* No. 3 for two keyboards), but they are half-hidden here by the general ebullience. Perhaps *Le Roi* is really a romantic opera that has taken the wrong turning. Some of the choicest pages, for example the glinting Barcarolle for Henri and Alexina, in which Fauré's middle-period piano writing is magically transmuted into orchestral terms, seem ill at ease in a comic opera atmosphere, as do some of the best things in *Béatrice et Bénédict*.

A warm welcome home the less for this spanking first complete recording under Charles Dutoit, with keen response from the Chorus and New Philharmonic Orchestra of French Radio. A sense of corporate enjoyment is in the air. Gino Quilico sings the baritone title-role with quiet distinction. His account of Henri's dreamily nostalgic "Beau pays, pays du gai soleil" is not shamed by memories of the masterly Van Dam in his recital record issued not long ago. One never expected to hear a British tenor sing Nangis in a French performance of this opera. but Peter Jeffes does so to excellent effect.

The two girls, whose contrasting personalities are a redeeming feature of the libretto, are sung by Barbara Hendricks, ravishingly true and sweet-toned as the slave Minka in love with Nangis and by Isabel Carcisanz, whose occasional asperity sounds right for the ambitious Alexina, after the king. Jean-Philippe Lafont makes the most of the egregious Fritelli, a buffo part added at Chabrier's request. And now, please, the maligned *Gwendoline*, which I believe may one day be rated as the better opera of the two.

A £9m market for opera

Opera receipts approached *£9m in England last year*, according to figures produced by the Arts Council, although the number of tickets sold was down marginally at 877,000. Ticket sales yielded on average £9.78 for the theatres but every seat was subsidised by just over £20.

Die Fledermaus attracted the highest total audience (50,000), closely followed by Don Giovanni. Verdi was the most performed composer, with his *operas attracting* 130,000 people to 82 performances at 82 per cent capacity, followed by Mozart (70 performances, 80 per cent attendances), and Wagner. Over 60 per cent of the performances were of 19th century opera: only Opera North, in presenting Wilfred Joseph's *Rebecca*, performed a work written since 1980. Average opera attendances were highest in Southampton.

Katerina/Northcott, Exeter

B. A. Young

A belated visit to the Northcott Theatre to see the new musical, *Katerina*, brought me pleasure and dismay. Pleasure, because this is the sort of project regional theatres ought to undertake, an dthe Northcott does them better than most. *Katerina*, with book and music by Peter Uppard, has been given a characteristically inventive production by Stewart Trotter. An anonymous sponsor has enabled the pit band to be enlarged and a grand piano hired.

A big cast adorns Mark Thompson's colourful sets; they sing without microphones, and Mr Uppard has taken the ladies to the C above the stave. The production makes all it can of the romantic book, doing its best both for the glamour of the first act and the squalor of the second. (There are three.) My view, that this is what regional theatres ought to do, is confirmed by good business at the box office. Rosamund Shelley sings like a lark as Katerina, and acts like an actress in a musical; John Watts, her beloved Stephan, is a true romantic hero, but disappears for sound dramatic reasons before he has sung much. The most enjoyable singing, for me, comes from Meriel Dickinson as the old nurse, Martha.

Rosamund Shelley and John Watts

The dismay comes from the qualities of the piece itself. The story, an unhappy cross between Chekhov and Noel Coward, deals with the adventures of a band of Russian aristocrats at the 1917 revolution. Katerina is Princess Korovina, and is celebrating a birthday with champagne and dancing in the first act until the news comes that the Bolsheviks have taken over. Peasants invade the ballroom and smash it, but Paul, Count Zoschensky (Floyd Bevan) fools them until the aristos get away.

In the second act, they make their painful way to Odessa and are rescued by a British warship, all but Stephan, who is fighting in the White Army. In the third act, Katerina has naturally become his singer in a Paris cabaret and there is a tender romantic duo between James, who only made his appearance in Act 2 Scene 3, but is now promoted to romantic runner-up, and the memory of Stephan, who ultimately dies of his wounds, to promote a happy ending.

It is all unbelievably old-hat. Mr Uppard claims that he wanted to write a show with lots of singable songs, but his tunes are bland and unoriginal, his lyrics as flat as his dialogue.The use of a series of projected photos to illustrate the journey to Odessa is a great mistake, for the dramatic fire dies right down, in spite of the film-score music that accompanies it.

Saleroom

Sotheby's sold a collection of Danish paintings for £421,630 yesterday, with just 7 per cent bought in, a reflection of the interest in Danish paintings stimulated by the recent show at the National Gallery. In fact most of the pictures under the hammer were later than the "Golden Period" of the early 19th century. Even so the top price of £42,000 for a beach scene by Frants Henningsen compares with the £3,900 which secured the work less than three years ago. Few of the paintings went to Danes.

There was a disappointment in Sotheby's Tuesday night sale of 19th century European paintings. A Middle Eastern scene by Richard Dadd, probably the last work he painted before he went mad and killed his father, was bought in, with bids petering out at £95,000. Buyers prefer Dadd's fairy paintings, produced when he was in an asylum. The same painting had sold at Sotheby's in 1964 for £400.

Top price was £154,000 for an unusual work by Gustav Klimt and his brother Ernst. The elder Klimt is best known for his turn of the century avante garde painting but this was an early and conventional decorative piece. "Evening" by Corot made £88,000, while two, among many, artist record prices were the £66,000 for a view of Stockholm by the Danish artist Martinus Rorbye and £63,800 for "A Dervish with tortoises" by Osman Hamdy Bey.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

Nov 23–29

Exhibitions

WASHINGTON

National Gallery: Old Master Drawing from the Albertina, celebrating two centuries of Austro-American relations, includes Dürer's Praying Hands among the 75 works by Fragonard, Rembrandt, Pieter Bruegel the Elder, Lucas Cranach the Younger, and others. Ends Jan 13.

Hirshhorn: The entire third floor of the gallery will be filled with 157 works of painting, sculpture, constructions and installations done in the past decade by 147 artists in celebration of the museum's 10th anniversary. Ends Jan 6.

NEW YORK

Metropolitan Museum of Art: Te Maori begins its U.S. tour showing the native treasures of New Zealand, with a rich Polynesian heritage of stone and ivory ornaments, bone and stone weapons and wood carving. Ends Jan 6.

Van Gogh in Arles (Metropolitan): The first important exhibit to catalogue the annus mirabilis in 1888–89 when Van Gogh was inspired by the South of France is covered in 146 works, including paintings, drawings and letters. Special ticketing with specified entry times reflects anticipated ticketing with specified entry times reflects anticipated crowds of up to half a million. Ends Dec 30 (570 3970)

NETHERLANDS

Amsterdam, Willet-Holthuysen Museum (Herengracht 605). Amsterdam silver 1520-1820 is an exhibition of 250 items and groups displaying the mastery of Amsterdam silversmiths over three centuries. The show, which focuses on church, guild and table silver, includes a magnificent monstrance of 1517, ornamented drinking horns and finely wrought chains of office used by the civic militia companies, and four salt cellars from 1639-1643 by the celebrated silversmith Johannes Lutma. Ends Jan 13, closed Mon).

Amsterdam, Rembrandthuis (Jodenbreestraat 6). Rembrandt as teacher. The intimate atmosphere of the house where Rembrandt lived and worked from 1639 to 1660 provides the setting for an exhibition of 75 drawings and etchings illustrating Rembrandt's teaching methods and the degree of influence he had over the future careers of his pupils, who included Ferdinand Bol, Gerard Dou, Govert Flinck and Nicolaes Maes. The show includes drawings with forceful corrections in the master's hand, finished compositions based directly on works by Rembrandt, finished compositions based directly on works by Rembrandt, and revealing instances of borrowings and outright plagiarism. An excellent, fully illustrated catalogue in Dutch and English guides the visitor behind the scenes of 17th-century studio theory and practice. (Ends Jan 6).

BRUSSELS

Museo del Oro de Bogota, Colombian Gold Artifacts. Bellevue Museum. Ends Jan 20.

Antwerp, Fine Arts Museum. Aspects of Irish Painting: Basil Blackshaw, Patrick Collins, Barrie Cook, Louis le Brocquy, Tony O'Malley and Camille Souter. Ends Dec 9.

VIENNA

Medieval Art from Serbian Monasteries: This exhibition from Yugoslavia of religious art from Serbian Medieval Monasteries covers the period from the 10th to 17th centuries and includes some intricately worked silver book covers, chalices and incense burners. Gilded icons are also of interest, showing a surprisingly modern angular technique in depicting garments. Other exhibits include illuminated manuscripts and copies of frescoes, and all show a fascinating intermingling of eastern and western artistic influences. Museum of Mankind. Ends Jan 20.

WEST GERMANY

Cologne, Museum für Ostasiatische Kunst, 100 Universitätsstrasse: The Museum of Far Eastern Art is showing Korean art – some of which is more than 5,000 years old. It includes extremely thin-walled storage jars with scratch patterns, bronze and stone weapons, glazed vessels, woodcut prints, gold sheeting and gold ornaments, pearls, green jade and glass, a sepulchral crown, bronze figures and tombstone reliefs. Ends Jan 13.

Bonn, Rheinisches Landesmuseum, 14 Colmantstrasse: a touring show with 49 lithographs, and documents by Sonia Delaunay, a French artist of Russian extraction. Ends Dec 12.

Cologne, Römisch-Germanisches Museum: *'The Treasures of San Marco'* has arrived. Forty-three pieces representing the best of antique, Islamic, Byzantine and occidental art from the world's biggest church treasure. Ends Jan 27.

Cologne, Kunstverein, 1 Josef-Haubrich-Hof: Works by Helmut Dorner, Lutz Fritsch, Clemens Kaletsch, Axel Lieber, Mechtild Nemeczek, Peter Telljohann and Claude Wall. Ends Jan 6.

Kassell, Kunstverein, 16 Ständeplatz: 250 watercolours by 30 artists including Georg Baselitz, Joseph Beuys. A. R. Penck, Gerhard Richter and Günther Uecker.

Cologne, Museum für Ostasiatische Kunst, 100 Universitätsstrasse: The Museum of Far Eastern Art is showing Korean art, some of which is more than 5,000 years old. It includes storage jars, bronze and stone weapons, gold sheeting and ornaments, pearls, jade and glass, bronze figures and tombstones reliefs. Ends Jan 13.

LONDON

The Hayward Gallery: The Drawings and Sculpture of Matisse. The Arts Council has brought together two major exhibitions, each of which deals with a major aspect of Matisse's work. But though both are to got on elsewhere, they are not to do so as one; which makes their London showing an opportunity not to be missed. The entire sculptural *oeuvre* is shown, 69 bronzes in all (it goes on to Leeds in the New Year), for the first time in this country; and the selection of drawings represents the largest retrospective study ever to be seen in London or New York *(it goes to the Museum of Modern* Art in the spring) of this fundamental preoccupation. It is a delightful, at times surprising and always an enlightening conjunction, most useful for the insight into the relation between his sculpture and drawing in the earliest years of the century, the crucial period of his first maturity. The clear hint is that if the painting of Matisse was qualified and informed by the drawing, so, in that very first period at least, it was the sculpture that gave the drawing its radical freedom and simplicity. Ends Jan 6.

The Royal Academy: Modern Masters from the Thyssen-Bornemisza Collection – a remarkable run through the history of western painting in the past 100 years or so. It reflects, as it must, the collector's taste and prejudices, But these are tempered by an admirable catholicity of interest, which can accomodate quite happily impressionism with surrealism abstract expressionism with constructivism, realism with cubism. We begin with Corot and Degas and end with Bacon, Freud and Giacometti, with Pollock, Picasso, Mondriano, Beckmann, and so many others in between. Ends Dec 19.

The Tate Gallery: George Stubbs – the critical rehabilitation of our greatest horse painter continues with this magnificent exhibition, which clearly proposes him not only as our pre-eminent artist of the 18th century but as second only to Turner. The fact that we still designate him Horse Painter is at the root of the problem, for his popularity on that count, and his inclination to specia*lise, have long conspired to disguise* the fact that a painter of horses may as well be a great artist as a painter of landscapes, or people for that matter. Ends Jan 6.

PARIS

The influence of French and Italian schools and fidelity to their national inspiration, the fascination with reality and romantic idealism, produced two contradictory tendencies in German painting in the second half of the 19th century. On the one hand, Arnold Böcklin, the symbolist, continues to mediate and dream of poetry and mytology. On the other hand the violence of colours of the New Realists announces 20th-Century Expressionism. Petit Palais, closed Mon, Ends Jan 13 (265.12.73).

Kandinsky: 70 paintings, many on loan from the U.S., Germany and Holland, are complemented by Nina Kandinsky's legacy of 700 drawings and sketches, by his correspondence, his library and his own collection. The vast retrospective, the most important in Paris since 1963, retraces the different stages in his creation: Munich, the Bauhaus and finally Paris. Centre Georges Pompidou, closed Tuesdays. Ends Jan 28. (277 1233).

ITALY

Rome, Palazzo Barberini: Sala Pietro da Cortona (via delle 4 Fontane); in what was the family dining room of the Barberini family, with its glorious and newly restored frescoes is a photographic exhibition organised jointly by the British National Trust and its much younger Italian equivalent, the Fondo Ambiente Italiano (FAI). An imposing series of photographs of the large number of houses and gardens acquired by the British Trust since its founding in 1895, followed by a section showing the courageous Italian progress along the same lines since the founding of the Trust here in 1975. One notices the Italian influence in many of the English country houses. Until Dec 2.

Milan: Galleria Gastaldelli, Via Lanza 6. Drawings, watercolours and oils by Renato Guttuso. Until Dec 30.

Florence: Palazzo Strozzi: Fortuny and the Belle Epoque. Twenty rooms hardly contain the exuberant artistic activity of Mariano Fortuny in the first few years of this century. Notable among the engraving. Drawings and theatrical design is the fabric he invented – Delphos Plisset – adored by Eleanora Duse. Ends Dec 2

Venice: Scuola Grande di S. Giovanni Evangelista: Behind the Venetian Palaces; Three Centuries of Minor Architecture in Venice: 1492–1803: An unusual exhibition tracing the history and development of a small area of the city with maps and various documentation from the State archives not only how and when the buildings were constructed. But who owned and lived in them, and how they lived. Open 10–7.00pm (closed Mon). Until Dec 9.

Rome: Two exhibitions explaining the alterations made to Rome in its first 40 years as capital of Italy. The villas, gardens and entire streets that were swept away to make space for the self-important ministerial buildings – none exceptional for their beauty – and essential street-widening. The first is at the Terme di Diocleziano (The Museum of Roman Art) and shows the remarkable trophies found during excavations. The other, in another Roman structure, the Trajan Markets, has the incredibly detailed model of the city as it was in 1870 – when the Pope's city became the nation's capital. Until end of Nov.

Venice: Museo Correr. Drawings by Gian Antonio and Francesco Guardi, a delightful exhibition of 250 drawings by the brothers, including, among the subjects, the famous views of the city by Francesco. (Closed Tue). Ends Jan 31.

Rome, Braccio di Carlo Magno. Raphael in the Vatican: the last in a series of exhibitions which have been held in Paris, Rome, Florence and Urbino, marking the 5th centenary of the painter's birth. The exhibition contains material from the secret archives. The Vatican Library and the Papal apartments, and is a wonderful chance to see objects not usually on public view, and the details of inaccessible frescoes. Until Jan 16.

TOKYO

Contemporary Japanese Art, the annual exhibition known as the Nitten (the largest in Japan) of contemporary art over the last two decades, includes works by Japan's new generation of artists. Tokyo Metropolitan Art Museum, Ueno Park (close to the National Museum). A visit provides both an interesting art experience and the opportunity to sample a Tokyo autumn in one of the city's largest parks. Enjoy lunch in the open between *exhibitions*, view the autumn leaves and observe Tokyo families at play. Ends Dec 16.

FINANCIAL TIMES
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 8954871
Telephone: 01-248 8000

Thursday November 29 1984

An 'impossible' tax proposal

THE SWEEPING proposals of the U.S. Treasury for tax simplification and rate reduction have raised a predictable howl of protest from all those adversely affected. This is the standard greeting for any proposal for change—unless it can be presented as part of a tax cut, so that there are winners and no serious losers and a British Chancellor would not be at all dismayed at the reaction.

However, the U.S. Constitution, where the President proposes and Congress disposes, has always tended to protect sectoral and local interests. Already the conventional wisdom is this proposal is likely to go the way of all other reforms. Only the President, it is said, could save it. It is certainly to be hoped that he will try.

Mr Donald Regan has put up a quite outstanding scheme, which would assist many taxpayers, reduce the gross distortions which hamper U.S. economic efficiency, increase incentive at every level and make America a much friendlier fiscal neighbour. Its greatest merit, however, cannot be estimated precisely: it would substantially reduce the U.S. Federal deficit without slowing an already weakening recovery — and would, incidentally, bring substantial relief to the problems of other major dollar debtors apart from the U.S. Treasury itself, notably the American farm sector and the developing countries. There is no other plausible proposal to achieve these results.

Privileges

These large claims hinge on one simple fact: a reformed tax system would simultaneously raise the cost of borrowing for U.S. corporations and consumers and increase the real return to savers. This means rates would be bid down from both the supply and the demand side of the credit market. It would enable rates to fall to a much more normal level in relation to the rate of inflation.

The fall in rates would almost certainly be substantial; for recent studies have shown that U.S. borrowers take full advantage of their present tax privileges. The result is that despite widespread complaints of "abnormal" real interest rates, the cost of corporate capital—and the real cost of credit for high income borrowers—is just the same, after tax, as it was 20 years ago. There is now a little more inflation, and a lot more tax shelter.

The market would almost certainly deliver the same real rate—or a lower one, if the recovery stops—under a reformed system. In nominal terms, it would be substantially lower. For each 100 basis points of reduction, the structural deficit would be reduced by more than $25bn by the end of the decade. The benefit to foreign borrowers hardly needs explaining; but it is worth adding that on present trends, the U.S. will become the world'es biggest foreign debtor before the 1980s are over, and so would be the biggest beneficiary.

The other merits of the proposals are more exclusively domestic, but no less telling. The proposal to index not only capital gains tax but the inflation component in receipts of interest should ensure that U.S. savers remain happy as rates decline. There is a lesson here for Mr Nigel Lawson.

Difficulties

The proposal to end the deductibility of State and local taxes removes a great incentive to extravagance—for states rank with charities under present arrangements in collecting tax-deductible contributions. The recently introduced depreciation allowances have produced a wave of purely artificial transactions—as, indeed, has the entire, 2,000-page U.S. tax code, which stands as a disgraceful monument to the politics of the pork barrel. Tax-optimisation sometimes seems to be the main driving force of U.S. economic decisions. Simplification is an urgent need for its own sake.

The Treasury's modified flat rate proposals have the support in principle of the President and of both sides in Congress; it is in the details that the difficulties arise. Unless it is to be concluded that the U.S. Constitution contains a hidden amendment barring tax reform, every effort should be made to surmount these difficulties. Congress will never get a better plan, or the President a better chance to stake his place in economic history.

Nibbling at the regional problem

IF INTERNAL logic and value-for-money were the sole criteria for government policy, the new system for regional aid unveiled yesterday by Mr Norman Lamont, Minister of State at the Trade and Industry Department, would score high marks. But on the criterion which really matters for any public policy — will it work? — the plans fare less well. It is hard to see Mr Lamont's proposals having much material impact on the large and growing regional disparities in wealth and employment in the UK. Judged against the scale of the problem, which reflects deep-seated social and economic upheavals, the measures cannot be regarded as more than a stop-gap while a more effective approach is devised.

The Government is vulnerable less on the way it intends to spend regional aid — which, in the main, is more sensible than in the past — than on the scale of resources devoted to it. Mr Lamont expects to save about £300m a year once the new policy is fully operational, bringing projected spending down from £700m a year to about £400m. That the new policy is expected to be as effective as existing schemes, in spite of the cost saving, is little comfort. The planned expenditure is a small fraction of 1 per cent of public spending — about a third of the present subsidy to farmers, for example — and cannot be expected to bridge the chasm between regions.

GDP per head in the South-East, for example, is about 30 per cent higher than in Wales and the unemployment rate of 9.6 per cent is hardly more than half the rate in the north of the country.

Even the detail of the new scheme is not wholly encouraging. The decisive shift from automatic to selective aid will make the new policy more bureaucratic and increase civil servants' discretion. The extension of the overall coverage of the assisted areas map, and its long-overdue redrawing to include such obviously depressed areas as the West Midlands, is welcome enough. But the shrinkage of the area covered by non-discretionary grants and the suggestion that the new map wil be fixed for five years or so is not. A strong criticism of the old scheme was lack of flexibility: the assisted areas map agreed in 1979 became anachronistic very quickly — the same could happen again.

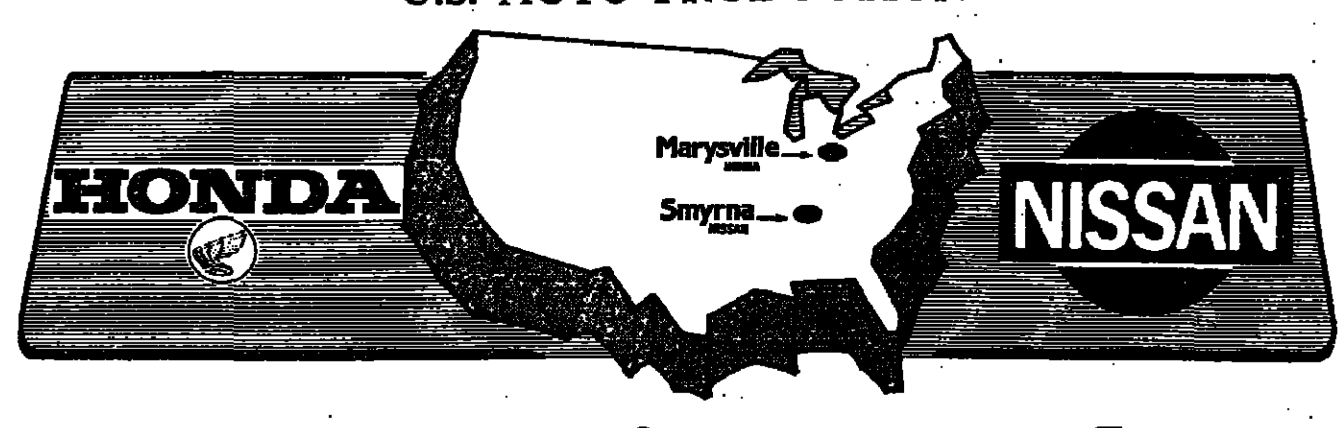
Efforts to link regional aid more closely to job creation make sense, but a rigid cost-per-job ceiling as law as £10,000 on automatic grants in the inner development areas is questionable. The Department of Trade and Industry's own study in 1981 showed that the overall "social milieu" of an area was critical to its ability to attract new firms: the arrival of a capital-intensive business which creates few new jobs directly can in some circumstances have a very positive effect. But the inclusion of selected, nationally mobile service industries such as management consultancy and data processing is certainly welcome —several studies suggest that regions remain depressed partly because they are starved of the ancillary "business services" which tend to flourish in the South-East.

Disparities

The UK's big regional disparities have three main historical causes: the North-South divide partly reflecting London's overwhelmingly dominant position as a business and financial centre; the decline of old heavy industries such as steel, coal and shipbuilding and the emergence of new sevice industries; and the shift of activity from West to East following Britain's accession to the Common Market. The problems are so great that yesterday's proposals can be regarded as only a first step. The problems created for particular localities by industrial change need to be given a higher priority; this is one of the weakest elements in the Government's approach to the coal industry.

In spite of its general non-interventionist stance, the Government may have to expend greater resources than so far envisaged. In the meantime, several steps could be taken to alleviate regional inequalities. The Government could decentralise its own departments much more vigorously. It could do more to encourage business "self-help" schemes designed to regenerate local communities. It could take action to improve labour mobility by sweeping aside the tax and legal obstacles to an efficient market in private rented housing and it could give a further push to the slow trend towards more decentralised wage bargaining.

U.S. AUTO PRODUCTION



How Japan's car makers have 'gone native'

By Terry Dodsworth in New York

LONG after the lunch break has finished, three men pore over a diagram in the Honda works canteen, glancing out occasionally at the expansive lawns and woodlands that surround the plant at Marysville in Ohio, U.S.A.

"We're trying to find a way of cleaning up one of our work areas," explains Mr Ray Stamm, a production line worker in his 30s, who is dressed in the white overalls that virtually everyone wears in the plant. Before he came to Honda about four years ago, Mr Stamm ran his own lawnmower repair business, but today he is a team leader on the line and enjoys it. One of his collaborators, Mr Gary Titus, was a meat cutter for 15 years before deciding that Honda offered more security. The third member of the party is a Japanese production engineer, lending a hand with some technical ideas.

Four hundred miles away, in a similarly rural setting at Smyrna, Tennessee, Mr Tressler Batts, a black worker at the sparkling new Nissan plant, describes how he came to work for the Japanese. "A secure job is a relief for anybody's brain," he says, with a touch of southern bible-belt rhetoric in his voice. "And a certain income is a burden off anybody's back."

Down on the production line, Mr Mike Levi, an ex-mathematics teacher, talks about the pleasant environment and purposeful atmosphere in the factory. "We believe in hard work and commitment," he says, musing on the blend of Japanese and Southern cultures.

This is the U.S. motor industry a la Japanese. By the most generous estimates, the Japanese vehicle manufacturing experience in the U.S. is only five years old, dating back to Honda's motor-cycle plant in 1979. But the new companies have already shown that they intend to be very different from the old Detroit patent—and they have made Volkswagen look like an also-ran in the battle of the foreign-owned producers.

First the figures. Honda, after its early investment in motorcycles, plunged into car assembly (about half the components are imported from Japan) in late 1982 with its Accord model. Its $250m investment was aimed at production of 150,000 units a year, and after making a third of that in 1983, it is now running at capacity of around 600 vehicles a day.

On the edge of its present site, the tree are going down and the walls spreading out to encompass a $240m expansion project for its Civic model which will take capacity to 300,000 cars a year. So far this year, Honda has produced virtually twice as many vehicles as Volkswagen, which has been in the U.S. much longer, and not many fewer than Renault through its long-established American Motors subsidiary. And yesterday Honda officials in Tokyo announced plans to construct a new $42m plastics injection moulding plant adjacent to its Ohio plant, to produce plastic parts for Honda's automobile production and to produce spare parts.

Nissan began rolling out pick-up trucks at Smyrna about 18 months ago, expanding it output rapidly to one-shift capacity levels of 120,000 a year. Despite increasing competition from U.S.-designed pick-ups, it has comfortably increased sales throughout this period. Next year it intends to bring its Sentra sub-compact car on stream at Smyrna, at a rate of around 100,000 units a year, while pushing truck production to 140,000 vehicles.

When the Japanese started their U.S. plants, hesitantly and under the barrel of the "voluntary" export restraint agreement, they were as uncertain as the rest of the world that they could achieve these targets. This uncertainty is now visibly evaporating: the additional investments, financed largely out of the U.S. operations, attest to a new air of confidence about their U.S. manufacturing operations.

To some extent, the Japanese decisions have been helped by the artificial import restrictions. These have had the effect of keeping U.S. car prices higher than they would have otherwise have been, and thus improving margins for the Japanese. Honda, moreover, is forced to manufacture in the U.S. if it wants to increase its market share, since its export quota is extremely small.

Even so, there is widespread admiration in the industry for the way in which the new companies have got their factories up and running. The Japanese and American production systems have been meshed so effectively in the process that the vehicles coming off the lines in the U.S. are virtually indistinguishable from their Japanese counterparts.

It is generally accepted in the trade, for example, that Honda had some initial quality problems with its U.S. models. But these were stripped out so fast that there is no discernible customer preference today for the Japanese cars. "The statistical evidence," says Mr Al Kinzer, vice-president, and Honda's longest serving American employee, "is that we do not receive more warranty or other claims against our American-made cars."

Nissan claims a similar experience with its pick-up. All this stands in marked contrast to Volkswagen, which started U.S. production with a peerless reputation for quality, but has lost much of it as customers have rejected the Rabbit, the U.S. version of the Golf.

There is no simple answer to how the Japanese have achieved this swift and smooth take-off. Honda, an impatient innovator, is at least as different in style from Nissan, an established pillar of the industry in Japan, as Renault from Peugeot in France. Their plants also project some purely local U.S. differences — Honda has some of the North's gritty seriousness, Nissan a patina of the South's unflustered gentility.

Yet there are some common features which clearly distinguish the Japanese from the mainline U.S. tradition. The most tangible of these is the pervasive emphasis on quality. "Our objective is to build the highest quality vehicle sold in North America," says Mr Marvin Runyon, president and chief executive officer of Nissan U.S. "And do you know why? Because if you have the best quality, you will also have the best productivity and the best costs."

Mr Runyon can speak with such utter confidence because the same thing is being said on his shop floor. Workers do not need prompting to come up with the party line. "The quality and the time we have to build a truck all mean money to us," says Ms Linda Mason, a production line worker. At Honda, the three brainstorming post-prandial motorcycle workers were intent on cleaning up their work station because the mess was endangering quality in the paint process.

The brainstorming problem-solving meeting also gives a second clue to the management systems—the Japanese emphasis on pushing responsibility down the organisation in such a way that every individual on the shop floor becomes partially involved in the achievements of the plant.

It may be too early to sound the death knell of the Charlie Chaplinesque view of the line worker as just another cog in the production wheel, but there is no doubt that Charlie would find a few things changed if he trotted down to see "Modern Times" in Smyrna.

There, as the first shift clocks in at 7 am in the morning, work starts with a five-minute information session in which small groups of blue-costumed employees gather round their supervisor for a briefing on the day's schedule. As the supervisor rattles through the production schedule for the day, individuals chip in with questions and observations.

A similar system is operated at Honda, and in both places there are much longer sessions on a regular basis. Some workers make no bones about the kick it gives them to feel part of the thinking organisation of the plant as well as operators of the machinery.

"The difference here is that they always pay attention to you," says Mr Batts. "I am not saying they act on every suggestion, but they always listen."

Both companies have also worked hard to engender these attitudes through elaborate training and recruitment systems. Almost 400 workers from Nissan were sent to Japan for up to eight weeks to work in plants making the pick-up being introduced at Smyrna. Honda has sent almost 250 on a very similar programme. At start-up time, the process became a two-way exchange, when the Japanese descended in droves to the U.S. plants to coax them through their teething troubles.

In both plants, employees are also told that their jobs are secure. There is no cast-iron commitment on job security, but there seems to be an awareness that a deal has been struck: employees keep their jobs if the company performs, and every individual is responsible for the performance.

The workforces were, in addition, carefully selected. Nissan insisted originally that it would take only workers who had experienced around 18 months in some form of industrial employment. Honda runs candidates through three separate interviews—a process which the United Auto Workers union attacks as a means of weeding out potential union organisers.

Whatever the significance of the union argument—and Nissan does not conceal the fact that it is fiercely anti-union—the techniques of selection and training, combined with the participative management style, are clearly designed to create a deeply rooted corporate culture.

It is difficult to escape the conclusion that this also explains the Japanese car companies' decisions both to pay above the local wage rates, while implantig themselves on green field sites well away from established industry. The pay scales and rolling soya bean fields provide a sort of cordon sanitaire against outside influences.

As the companies expand, the question arises as to how effective that cordon sanitaire will remain. At Honda, for example, the UAW insists that it is only a matter of time before it establishes recognition. It already has three members in the boilerworks (an identifiable bargaining unit), and it claims to have gained more general support during a recent flurry over holiday schedules.

Over the longer term, there must also be a question mark about the ability of the Japanese companies to guarantee security to their workforces. The opening of both plants was impeccably timed to bring their products on stream to sell into a rising market. When the market reverses, it may be more difficult to maintain the atmosphere of confident well-being—although the ability to cut back on exports from Japan gives Nissan, in particular, a great deal of flexibility.

What is indisputable, however, is that both Nissan and Honda are in the U.S. to stay. With the addition of the joint Toyota/General Motors products, due to be launched next year, it will not be long before the Japanese have the capacity to supply about 5 per cent of total U.S. car sales from their American assembly operations.

U.S. CAR MARKET

	January-June 1983	%	1984	%
Domestic	3,335,028	73.32	4,246,343	77.53
Imports	1,213,491	26.68	1,230,500	22.47
Total market	4,548,419	100	5,476,843	100
DOMESTIC*				
General Motors	1,983,327	43.6	2,518,156	45.9
Ford	758,263	16.7	1,009,186	18.4
Chrysler	432,814	9.5	513,174	9.3
American Motors	101,120	2.2	95,256	1.7
Honda	16,861	0.4	65,670	1.2
Volkswagen	42,643	0.9	43,901	0.8
LEADING IMPORTERS				
Toyota	282,117	6.2	269,458	4.9
Nissan	275,854	6.1	244,245	4.4
Honda	181,963	4.0	195,873	3.5
VW-Audi	59,969	1.3	99,344	1.8
Mazda	89,101	1.9	82,030	1.5
Subaru	79,319	1.7	78,549	1.4
Volvo	48,020	1.0	57,014	1.0
Mitsubishi†	55,488	1.2	54,365	1.0
Mercedes	35,780	0.8	40,526	0.7

* Domestic producers' sales include some of their imports.
† Includes cars sold by Chrysler.

Men and Matters

Heart of the matter

It is hard to know who is benefiting most from the dramatic operation in Louisville, Kentucky, where surgeons replaced the diseased heart of a 52-year-old man with a plastic and metal pump.

William Schroeder is only the second American to receive a mechanical heart, and given that he had only days to live before the operation, his doctors believe that if he lives beyond this weekend it would be fair to call the operation a success. Some are confident that he will beat Dr Barney Clark's record. He lived for 112 days after receiving the world's first artificial heart transplant, two years ago.

Humana, the owners of the Humana Heart Institute where the operation was performed, however, are taking advantage of a priceless public relations opportunity to get their message across to the American public. The company, one of the fastest growing and most profitable health care chains in the U.S. has been trying hard to impress investors and the medical community alike that it is at the leading edge of medical technology and not just a cheap hospital operator.

Pioneering medical work in the U.S., such as artificial heart transplants, has generally been carried out at research-orientated medical schools attached to major universities like Harvard or Stanford. But, in less than a year Humana has managed to make a name for itself which is the envy of the "pure" research community.

Humana has grown from one small nursing home in 1961 to the second biggest U.S. hospital chain with revenues of $2.6bn a year. But of late its growth has begun to slow and with an eye on the $50bn a year Americans spend on treating heart disease, it decided to enter the heart transplant business

It set up Humana Heart Institute International in October 1983, and has put together one of the best medical teams money can buy, headed by Dr Alan Lansing, 54, former chief of cardiovascular surgery at the University of Louisville. Last July it poached Dr William DeVries, aged 40, from the University of Utah where he had carried out the first transplant on Dr Clark. Dr DeVries is the only person permitted by the U.S. food and drug administration to perform artificial heart transplants at the moment. In addition, Humana has recruited Dr Robert Jarvik, aged 38, whose company Sybion, invented the Jarvik-7 artificial heart.

The company plans to underwrite up to 100 artificial heart transplants at a cost of upwards of $100,000 apiece in a bid to make its mark in this field. David Talbot, a New York analyst who follows Humana for Drexel Burnham Lambert, says the company is "state of the art in terms of cost control and wants to become state of the art in terms of providing medical technology."

"There's a rumour that when they put the TV lights on they found Lord Lucan on one of the back benches."

In reverse

Octav Botnar, the German who made a fortune from selling Japanese cars to the British, has not, it seems, been able to repeat the exercise in Switzerland.

Botnar founded Nissan UK (then known as Datsun UK) in 1970, since when the company has put over a million Nissan-Datsun cars on British roads. His success in capturing a 6 per cent share of the new car market was perhaps the most important factor in Nissan's decision to set up an assembly plant in the UK.

So impressed with Botnar were the Japanese that in 1979 Nissan persuaded him to buy out the company's importer in Switzerland where it was being thrashed in the market place by its arch-rival Toyota.

At first the Botnar magic seemed to be working, and for a brief time the following year Nissan overtook Toyota.

But since then sales have plunged. By the end of August this year Nissan registrations had plummetted by 36 per cent to 7,055, compared with the same period of last year. And, although the Swiss car market generally was weak, Toyota slipped only 7.7 per cent to 12,307.

The Nissan dealers have become increasingly concerned about Botnar's style—he admitted recently that he has been practically controlling the Swiss company single-handed on the telephone from his UK headquarters in Worthing, Sussex.

Now the Swis dealers have been told that Nissan has bought the import company from Botnar and will assume control in January. This is an unusual move by Nissan which owns only two other import companies in Europe—in West Germany and the Netherlands—although it sells cars in 23 countries all told.

The Japanese seem to feel that Botnar, who is in his 70s, has enough to do in Britain, strengthening his dealer network in readiness for the UK-produced Nisan cars at a time when conditions in the car market have never been more competitive.

Peace-makers?

Are Margaret Thatcher and Garret FitzGerald planning to kiss and make up? Both are letting it be known that they regret the dust-up which followed the otherwise cordial Anglo-Irish summit last week.

Their paths may cross in Paris today—Mrs Thatcher is there for an Anglo-French summit; Dr FitzGerald to discuss plans for the forthcoming EEC summit in Dublin.

"Sheer coincidence," according to Whitehall and Dublin.

Lords' lullaby

Some typically sage advice from Viscount Whitelaw to those of his peers worried about the television cameras catching them asleep during debates:

"One does have an option; namely to sleep and be televised sleeping, or not to sleep. On the whole, if I happened to fall asleep and was televised sleeping, I would not greatly mind, provided it did not happen too often."

Cheque list

Truth is stranger than fiction note. These are some of the reasons for travel cheques refund claims reported in NatWest's staff newspaper.

"Wind plucked cheque from my pocket and blew it over the cliff . . . Lost down lavatory of the aircraft . . . While in the middle of Lake Kariba, lost overboard, due to wind . . . Stolen by motorcyclist in a bag

Observer

JENNIE PAGE has just left the Civil Service after 18 years to become vice-president of Dillon Read, an investment bank—and she is said to have almost doubled her salary.

Patrick Wilde has also given up Government service in favour of the City. He left the Department of the Environment to go to Deloitte, Haskins and Sells, chartered accountants and management consultants.

Last year *Clive Priestley* forsook Whitehall for British Telecom. He had been chief of staff to the then Sir Derek Rayner when he was in charge of trying to improve Civil Service efficiency.

In Whitehall, the question in many mandarins' minds is whether these departures—and more of them—could herald a disturbing trend.

There is concern that the trickle of talent from the Civil Service could become an exodus and what is causing unease is that it is the cream of the Whitehall intake that is most likely to go.

"If ever there was a case of 'never mind the width, feel the quality,' this is it," said one retired deputy secretary.

Several factors may lure younger, able officials into the private sector:

● The present Government's apparent disdain for the race of civil servants. Some former officials say they did not mind feeling unloved — that would have been bearable. But they did not like the way in which the one high status of being a senior civil servant was declining. In practical terms, they found there was often far less emphasis on giving policy advice to Ministers—which meant their jobs became more mundane and less interesting.

● The substantial cuts in Whitehall's numbers—100,000 jobs have gone since 1979—has led to promotion blockages. Even those with the best brains, who can still rest assured that they will make their way up the ladder, sometimes have to wait longer for promotion than they expected.

● The private sector pays better. But money alone is hardly ever the driving force in any senior civil servant's decision to leave Whitehall. For one thing it is a myth to suggest that top mandarins are poorly paid—as most of them will readily agree. For another, those people whose main aim is to become millionaires do not join the Civil Service in the first place. But the prospect of higher pay can be extremely attractive when it comes on top of a general dissatisfaction with the interest, influence and promotion chances in Whitehall.

Statistics from Whitehall's own Management and Personnel Office indicate that the problem is still potential rather than actual. Jennie Page and Patrick Wilde were both assistant secretaries when they left—the fourth rank down from the top in Whitehall's hierarchy and a level that high-fliers can expect to reach in their mid- to late-thirties. There are roughly 1,000 assistant secretaries in the *Civil Service—yet last year only* seven of them left for reasons other than retirement or ill-health.

The drift away from Whitehall

The offer that some people cannot refuse

By Sue Cameron

"Tragic—another high-flyer who wanted to become part of the decision-making process."

Out of some 4,000 principals—the next rung down the *ladder—only 38 left.* And the figures for the two preceding years—1981 and 1982—were not significantly different.

The retired deputy secretary, who had held the number two *Civil Service post in a Government department*, said that the statistics did not mean much.

"There may not be many of them yet, but you need to look at who has gone on a person-by-person basis," he said. "It's the best ones who are going to leave. Not only is their ability likely to make them attractive to outside companies but they are also the people who are most likely to be known to the private sector and therefore most likely to receive offers.

"Obviously the Civil Service puts its best people into those jobs that involve a lot of contact with the outside world. The same is true of sending younger officials off on secondment because Whitehall, like any other organisation, wants to create a good impression. And it is almost inevitable that some of these people will be snapped up. One example is David Edmonds, who has been "released" from the Civil Service for up to five years to be chief executive of the Housing Corporation.

"I think that more and more will go," said the former deputy secretary. "I also think the Civil Service will find it increasingly hard to attract the best graduates. In my day it was considered a great achievement if you were accepted into what was then the administrative grade of the Civil Service. But I shouldn't think many graduates feel that way today."

However insubstantial the statistical evidence, there are clear signs that the Government itself is worried. This spring, a special premature retirement scheme was introduced with the prime object of opening up promotion opportunities for middle-ranking officials. When announcing the scheme, the Management and Personnel Office pointed proudly to the rundown in staff numbers that had been achieved over the past five years, but it then admitted:

"A reduction of this order accomplished in this way has problems of maintaining efficiency as well as the loss of promotion prospects for talented younger staff in the middle and junior ranks of the service . . . *The Government has decided* that more needs to be done to bring on talented younger staff.

"Consequently a limited premature retirement scheme, designed to secure about 100 early retirements at senior levels thus opening up 500 more promotion chances will start soon. The scheme runs to the end of 1984."

This scheme is additional to other voluntary early retirement schemes which have been introduced more generally in Whitehall.

The slow-down in promotions has affected all civil servants. Andrew Currie, for example, was an executive officer working in the private office of the Minister of State for Employment. He was not a fast streamer, but he is a graduate and private office posts are plum jobs in Whitehall. As Mr Currie says: "You have influence out of all proportion to your position in the hierarchy when you're in private office."

Mr Currie left the Civil Service to become employment research executive in the Institute of Directors' policy unit. Yet he had passed a promotion board just before he left Whitehall and had very much enjoyed being in a Minister's private office (one of the few postings where civil servants are paid overtime). He left because he felt that any mainstream Civil Service job would be far less interesting than working in the private office and he also believed that further promotions were going to be a long haul—no matter how well he did—just because of the numbers.

Whitehall's manpower cuts are not wholly responsible for clogging the promotion ladder, although they have clearly intensified the difficulties. Past bulges in recruitment suggest that there would have been fewer promotion opportunities anyway for those now in their thirties.

Jennie Page, who was involved with the privatisation of BritOil and with the selling off of some British Rail subsidiaries during her Civil Service career as well as being seconded to the London Docklands Development Corporation, where she worked on the development of the City/Isle of Dogs light-weight railway, reckons that Whitehall has changed considerably since she first became an official. "I think it right that people should be thinking of ways to make the Civil Service smaller," she says. "I thought so myself."

"But a combination of government policies and the cuts in numbers has meant that there are different sorts of jobs to what there used to be."

The theme of how civil servants are being devalued is a constant one among those who have left Whitehall for the City or industry. Yet like Ms Page, most are quick to say that their own Civil Service jobs were interesting and that they had not personally had any difficulties with promotion.

"I certainly didn't leave because of any lack of promotion opportunities but I did leave because of the way I felt the service had been moving under the past two or three governments," said one former official who now works for an industrial company. (He did not want to be named in case people in his former department felt he was attacking them—which he was not.)

"Increasingly now officials are not expected to have a view or to give advice to *Ministers*," *he said.* "*They are* merely expected to take orders—often from special advisers.

"No civil servant objects if a Minister listens to his advice and then rejects it. That is a Minister's right and you accept before you join that it's not your job to make the final decision.

"Nor does anyone object in principle to special advisers. It can be extremely helpful for Ministers to have advice from outsiders as well as civil servants.

"But what tends to happen now is that special advisers say to officials: 'Right, we've got the ear of the Minister or the Prime Minister; we're telling you what's going to happen and we don't want any of this negative stuff about how it can not

The whole question of the changing relationship between Ministers and civil servants is much debated within Whitehall. There are those—still in situ in the corridors of power—who say that Ministers generally know what policies they want to pursue and that they want civil servants who can be trusted to deliver.

But whatever the rights and wrongs of this particular argument, able officials who believe that Whitehall's influence is declining and that there *are* going to be fewer meaty jobs in the Civil Service are clearly more likely to start looking elsewhere.

The worry for some senior Whitehall managers is that the Civil Service could ultimately become the victim of a self-fulfilling prophecy. If more and more first-rate officials leave because they are worried about promotion prospects or—perhaps more importantly—because their jobs do not give them enough responsibility and satisfaction then the overall calibre of civil servants will fall. And that would—understandably—make Ministers *even more reluctant to turn to* officials for advice, which in turn would make Whitehall jobs less interesting and less attractive.

But one former official who *left Whitehall purely because* he had reached retiring age (though he is now doing advisory work in the private sector) commented: "I think its true that more and more able officials will leave and go into the private sector. But that's not necessarily a bad thing.

"Indeed, I would suggest that it's a very good thing as far as the private sector is concerned because companies will be able to recruit some first-class people. And in my view, the civil service has always had far more than its fair share of bright graduates—something that industry has frequently complained about in the past."

Samuel Brittan's Economic Viewpoint will appear next week.

Lombard

Free riding —at a price

By Anthony Harris

IT IS some years now sinec Sir Michael Edwardes, struggling at BL with the impact of a ludicrously over-valued sterling exchange rate, exploded: "If that's the result of producing North Sea oil, it would be better to leave it under the water." Soon afterwards, the abolition of exchange controls began to reduce sterling to something nearer its proper rate, profits have recovered, and the once lively debate on whether or not we should have an oil depletion policy has died away. We are back to the usual principle which governs policy in a democracy—look after the short term, and the long term will look after itself. It sounds wrong, and it is wrong.

Now the subject has come up again—and for precisely the wrong reason. The current weakness of oil demand, and its effects on spot oil prices and on sterling, have provoked some new demands—not very loud yet yet—that Britain should have a depletion policy. We are now too big, it is argued, to persist with our long-established policy of hitching a free ride on the Opec oil price; our own production, now twice our national consumption, is itself undermining that price. This is, of course, precisely what Opec diplomacy has been urging on us for a long time.

Misguided

This is a shabby argument, and there is a danger that it will disgrace what is basically a sound cause. There is no good reason why we should even tacitly support Opec's efforts to sustain an arbitrary dollar price *for oil, which has been carried* to a real level higher than the market will bear by the rise of the dollar iself. A lot of disruption and a still ominous threat to the U.S. banking *system might have been avoided* if Opec did not suffer this dollar fixation. A price indexed to a basket of currencies would not cause the problems of compensatory rises (1979) or glut now.

However, the fact that we should not be supporting Opec's misguided price policy does not mean that we should have no oil policy at all. The discovery of North Sea oil was a huge windfall of national capital; and even the simple housewifely economics which Mrs Thatcher professes must acknowledge the need to look after your capital.

What is more, producing oil has meant large and often very painful structural changes in the British economy. The changes which will be required as the oil runs down will be even more painful, for there will be a loss of national income. So the flow of oil needs managing to make sure that the adjustments can be handled.

Measured against these simple tests, our oil policy is worse than shabby; it is a confidence trick. The Chancellor wants growth to ensure that his strategy works, despite the rhetoric which says that the Government can do nothing about growth. He has found one neat trick to square his actions with his rhetoric, and one damaging one.

Privatisation

Privatisation is the helpful half of the act. By concentrating attention on borowing rather than on the government financial balance, Mr Lawson can avoid a fiscal squeeze without doing anything painful. By persuading taxpayers to buy their own assets, he takes pressure off interest rates, and may well achieve more efficient services too. It is tranparent, *but he gets* away with it.

However, a much bigger contribution to the appearance of a "tight" policy comes from oil revenues and this is done not by changing the title deeds of national assets, but by burning them. It may be forgivable to auction the family picture to the family, and call it sound housekeeping. It s not so defensible *to feed the furniture into* the boiler. And when our children are struggling to get along without the oil we burned in the 1980s to produce nice numbers for Uncle Nigel, they may *well think* the trick was too expensive. As Milton Friedman might have said, there is no such thing as a free ride.

Letters to the Editor

Possible tax on pension funds

From the Director General, Engineering Employers' Federation

Sir,—You refer in your leading article (November 27) to the Engineering Employers' Federation. You say we are misguided in our opposition to proposals in the Social Security Bill.

The first proposal is that the deferred pensions of early leavers *should be revalued* (over the whole period of deferment) by 5 per cent per annum or by the increase in the RPI, whichever is less. The Federation simply points out that very *few* occupational schemes can offer such guarantees on pensions actually in payment. It cannot understand why deferred pensions should be given preferential treatment. It is true that deferred pensions were often unfairly neglected in the past but equity would surely be better served if each pension fund was required to treat deferred pensions in exactly the same way as pensions in payment. Not worse—but not better either. This is why we have proposed instead a 3 per cent figure—which is a commonly guaranteed figure for increasing pensions in payment.

The second proposal that we oppose is for the creation of a public register of pension schemes. This is quite unnecessary. No case for it has been made out. It will rectify no abuses but it will cost money and create trouble. We are astonished that a Conservative Government should promote such a useless register when it is allegedly concerned about bureaucratic burdens on business and is conducting an enquiry into them. Here is one that can be nipped in the bud.

Your leader also refers to the possible taxation of pension funds, seemingly with some measure of approval. Occupational funds have been built up under a long-standing tax regime which has enabled certain benefits to be provided at a certain cost. The pensions, when paid, are taxable.

If the Chancellor were to dip his scoop into these funds, then either the costs to the companies and contributors would increase, or the promised benefits would not materialise. Companies' competitiveness would be attacked or pensioners would be short-changed.

Meanwhile, what of unfunded public sector pay-as-you-go schemes? In the happy position of having no funds to be taxed, they would presumably continue to offer benefits as before.

It would be quite intolerable if private sector pension funds were to be taxed and the proceeds used to contribute towards unfunded public sector pensions.

Of course, the Chancellor may have no such thoughts in mind. If they should occur to him, I hope he will stifle them promptly. Occupational pensions, voluntarily provided by companies in the private sector, are too vital a part of our social fabric to be the subject of doubt and uncertainty.

James McFarlane.
Broadway House,
Tothill Street, SW1.

Lump sums on retirement

From the Technical Director, Hogg Robinson (Personal Financial Planning)

Sir, — May I correct a highly misleading statement in your Editorial on pensions (November 27).

You state that voluntary contributions from senior executives enable them to claim tax-free lump sums on retirement and have little to do with pensions. Clearly, you are unaware that most pension schemes allow senior executives to claim the maximum tax-free lump on retirement regardless of whether or not voluntary contributions have been made. Thus, for the vast majority, the payment of voluntary contributions serves only to increase the amount of pension receivable on retirement. Such pensions are, of course, fully taxable and you could not be further from the truth when you state that voluntary contributions have "a great deal to do with tax avoidance."

It is to be regretted that highly respected publications such as the Financial Times appear to be encouraging the Government to take away some of the tax advantages of pension schemes by the widespread dissemination of ill-informed comment.

Donald Saffer.
42-62, Greyfriars Road,
Reading, Berks.

Heavy goods vehicles

From Mr N. Hamilton-Hamill

Sir,—Industry and other long sighted organisations and individuals are currently opposing the most recent Greater London Council lorry ban proposals. Hopefully for the good of the country as a whole and industry in particular that opposition will *succeed.*

The Government appears to be backing industry's view. May I suggest it is the right time for it to show the way by example and lift the current national ban on 38-tonne draw bar outfits which were excluded from the recent increases in permitted maximum gross weight.

These more than any other heavy goods vehicle on our roads today have the potential for reducing environmental strain. Their most significant benefit (and they have many) which is both environmental and economic is that they can and are reduced in size whenever the load to be carried is reduced in size. In truth something in order of 50 per cent of their running time is without the trailer. A conventional articulated vehicle on the other hand must always remain at maximum size no matter how *small* its load.

Why on a national basis do we continue to penalise the most flexible and environmentally compatible type of heavy goods vehicle there is? Even the GLC gave in on this.

N. A. Hamilton-Hamill.
49 Middle Stoke,
Limpley Stoke, Bath.

The case against Trident

From Mr M. Chalmers

Sir,—Ian Davidson (*November 12) has set out clearly the* strong economic case against acquisition of the Trident II missile system. It is clearly at odds with the need to move Nato doctrine away from its current reliance on nuclear weapons, and it will add further to the burden which high military spending places on an increasingly fragile economy.

Trident II is, however, not simply an expensive symbol of *Britain's inability to adjust* its military commitments to its economic resources. It is also one of a new generation of highly accurate "counterforce" weapons that threatens to put the forces of the superpowers on a hairtrigger, and will increase the dangers of nuclear war. By purchasing a system accurate enough to target Soviet missile centres and command centres, the British Government is encouraging the illusion that nuclear wars can either be limited, or in some macabre sense "won."

Ian Davidson's justified concern at the costs of Trident II leads him to suggest that, *instead, Britain should purchase* a cheaper "down-market" alternative system. In my view such a solution would be very much a second-best one. It ignores the considerable problems which the most widely canvassed alternatives would themselves create.

Were Britain to purchase nuclear-armed long range cruise missiles, these would be indistinguishable from conventionally armed missiles. Such a force would increase Soviet fears of a surprise "decapitation" attack on its command structures, and would render verification of arms control agreements more difficult. The proposals to place cruise missiles on aircraft or on *surface ships would be particu*larly dangerous, since such a force would be vulnerable to pre-emptive attack by enemy forces. This would give both sides strong incentives to strike first.

The most dangerous suggestion of all, however, is that there may be a strong political case for nuclear weapons cooperation with France in order to give added momentum to moves strengthening the "European pillar" of the alliance. Such an arrangement would be bound to raise fears—in the Soviet Union and elsewhere—of an eventual German finger on the nuclear trigger. It would increase, not reduce, the nuclear bias in plans for West European defence.

If the British Government were serious about radically re*ducing Nato's reliance on* nuclear weapons, it would surely be more desirable to abandon altogether the attempt to maintain an independent nuclear force, and concentrate Britain's limited military resources on an effective conventional defence for Western Europe.

Malcolm Chalmers,
School of Peace Studies,
University of Bradford,
Bradford, W Yorks.

Sampling the salmon

From Mr H. Beckett

Sir,—I was very interested in your article under the title of "Salmon Sampling" (November 14).

I am 93 years of age and I have caught quite a few salmon in my time, mainly on the rivers Hodder, Ribble, Lune and Eden.

I soon discovered that salmon lose condition very quickly in fresh water, so I only kept those which still had "sea lice" on them and they were quite plentiful in our northern rivers.

In fact my cousin went to school at Kirkby Lonsdale in the early 1890s. The school issued a prospectus and one passage ran as *follows:* "Salmon will not be served at meals on more than two days in the week." I cannot recall any instance of my cousin ever eating salmon after leaving school.

H. Beckett.
Calcutt Farm, Cricklade, Wilts.

FINANCIAL TIMES
Thursday November 29 1984

Mobil Oil's W. German unit faces closure threat

By Peter Bruce in Bonn

MANAGEMENT and workers at Mobil Oil's West German subsidiary began a series of talks in Hamburg yesterday that will probably result in the closure of the country's biggest – and one of its most modern – oil refineries.

Four times in the past two years the Mobil refinery on the North Sea coast at Wilhelmshaven, completed just eight years ago at a cost of DM 800m ($260m), has been forced into temporary shutdown. The next shutdown threatens to be the last.

Earlier this month the Mobil Oil AG board wrote to workers to tell them that the refinery, built on the expectation that West German oil consumption would by now be some 200m tonnes a year (it is just over half that) would lose its single most important customer next year.

The customer is Mobil, the parent, which has told the West German board that it simply does not want any more oil from Wilhelmshaven after next March. Given the refinery's increasing dependence on exports as the domestic market has fallen away, the ultimatum from the parent has probably sealed its fate.

Mobil's central sales operation, based in New York, takes just over 1m tonnes from Wilhelmshaven, which itself will have produced around 3.6m tonnes this year – less than half its potential. If the West German board tried to keep it open, the refinery would have to run at about a third of its capacity next year.

It is not much comfort to the beleaguered executives at Mobil in Hamburg, but they are not alone. In all, West German refining capacity has been cut from 160m tonnes to 106m tonnes in the last six years. Experts are predicting total capacity of just under 95m tonnes by the end of next year.

It seems clear that, with the entire industry operating at some 65 per cent of capacity, major shutdowns could go further than Mobil Wilhelmshaven.

Last weekend, Herr Hans-Georg Pohl, chairman of Deutsche Shell, warned that losses in the West German refining industry would total some DM 3bn ($1bn) this year, ironically, an improvement over the DM 15bn lost in the previous three years. Shell is understood to be losing some DM 20 to DM 25 on every tonne of oil it refines.

The problem is partly the familiar one of overcapacity in Western Europe. Some 210m tonnes of refining capacity have been lost in the past six years, although total capacity has retreated only 188m tonnes because of new plants brought on stream in Spain and Sweden.

Herr Pohl believes overcapacity in the region totals some 150m tonnes. He also said there were three other important factors behind the decline in West German production:

● The country's open market allowed a virtually free inflow of oil products, particularly from nearby Rotterdam.

● Intensive domestic competition, with the coal and gas industries scrambling for market shares.

● A broad, though as yet unstated, political commitment to move away from oil-fired heating networks. Herr Pohl said there had been cases where local authorities had refused to grant loans for projects using oil as heating fuel.

The industry is also being put under pressure by increasing demands for lighter oils, rather than the heavy products that many older refineries were built to produce.

Shell and Esso have already said they plan to close their old Deurag-Neurag in 1986. The plant, built in 1932, has a capacity of 2.25m tonnes a year and will have produced only 1.4m tonnes this year. Esso, which also shut down a 5.7m tonnes refinery in Cologne two years ago, is now rumoured to be considering running down capacity at its Hamburg plant. Deutsche BP has cut its refining capacity from 24m tonnes in 1978 to some 5m tonnes today.

Dole beats rivals to win key U.S. Senate post

BY REGINALD DALE, U.S. EDITOR, IN WASHINGTON

SENATOR Robert Dole of Kansas was elected to the most powerful position in the U.S. Senate yesterday after a fierce contest between five rivals for the coveted post of Republican majority leader.

Mr Dole, 61, won on the fourth round of a secret ballot of the 53 Republican senators, defeating Mr Ted Stevens of Alaska, the majority whip, by 28 votes to 25. Mr James McClure of Idaho, Mr Pete Domenici of New Mexico and Mr Richard Lugar of Indiana were eliminated, in that order, in the first three rounds.

The moderately conservative Mr Dole, current chairman of the powerful Senate Finance Committee, succeeds the retiring Senator Howard Baker of Tennessee as majority leader. He will now play a key role in piloting President Ronald Reagan's second-term legislative programme through the new Congress that convenes in January.

Mr Dole, President Gerald Ford's defeated vice-presidential running mate in 1976, and Mr Baker both have presidential ambitions for the next elections in 1988. Much of the opposition to Mr Dole's election yesterday came from colleagues who feared that as majority leader he would have a head start in the 1988 race – and might not devote enough time to the senate job.

Mr Dole was replaced as finance committee chairman by the moderate Mr Bob Packwood of Oregon, to the dismay of Conservatives who backed the right-wing Mr McClure for majority leader. Mr Lugar was appointed chairman of the influential Foreign Relations Committee, succeeding Mr Charles Percy, who lost his bid for re-election in Illinois in this month's elections.

Mr Lugar ranked behind right-wing Mr Jesse Helms of North Carolina on the Foreign Relations Committee, but Mr Helms was yesterday confirmed in his current post as chairman of the Agriculture Committee – to the relief of both the White House and congressional liberals.

Mr Dole, renowned for his often acerbic wit, is a highly decorated Second World War hero, who bears the scars of a severe wound in Italy. His wife, Elizabeth is Secretary of Transportation, qualifying the Doles for the informal title of "The second most powerful couple in Washington."

The 47 Senate Democrats meet to choose their leader on December 12, with every indication that they will again pick veteran Senator Robert Byrd of West Virginia, who has led them for the past eight years.

Steady economic growth 'will boost W. German employment'

BY JONATHAN CARR IN FRANKFURT

THE NUMBER of people employed in West Germany is likely to rise by about 225,000 next year because of steady economic growth buoyed by increased investment.

Despite the improvement, however, the Cologne-based Institute of German Economy (IW) stresses that the number of registered jobless will still average more than 2m.

In a report released today, the IW says the boost to employment will come in almost all economics sectors, apart from the construction industry where there will be another cut in jobs.

In the services sector alone, including banking and insurance, the number of employed will rise by 2.7 per cent or about 100,000 to 3.8m.

The number of people with jobs in manufacturing industry will go up by about 80,000 and in trading and transport together by 17,000.

The IW is basing its jobs projection on a real economic growth rate in 1985 of 2.5 per cent to 3 per cent – roughly the rate expected for this year.

It expects a further boost to investment in plant and machinery, and notes that the employment position has improved this year in key sectors, including vehicle-building, electrical engineering, chemicals and data-processing.

Other factors helping ease the labour market in 1985 will include a small cut in working time and a less strong rise in productivity, the institute believes.

Moreover, about 70,000 people are likely to take advantage of early retirement schemes and some 50,000 foreign workers will return to their homelands.

As a result of all this, the total number of people employed will rise by some 225,000 to 25.35m next year, after virtually stagnating this year.

The total of registered unemployed will only fall by about 178,000 to an average 2.1m, according to the IW's calculations.

The institute explains that the increase in the number of jobs available next year will not only benefit those officially registered as unemployed.

The improved economic climate will also tempt people on to the labour market who previously did not even attempt to find work. The IW cites, for example, women whose families have grown up and who may now see better chances of jobs outside the home.

UK forecast predicts 5 years of slow growth, high inflation

BY MAX WILKINSON, ECONOMICS CORRESPONDENT, IN LONDON

THE BRITISH economy is set for a dismal five-year period of slow growth with high unemployment and rising inflation the National Institute of Economic and Social Research says in its latest Review, out yesterday.

Its projections, up to the end of the decade, suggest that the Government has little room to govern by a more flexible approach compared with the regime of unchanged policies assumed in the main forecast.

The principal features of this gloomy outlook up to 1989 are:

● Average annual growth of only 1¾ per cent a year;

● Unemployment rising to 3.4m in 1986, then falling only slightly to 3.3m by the end of the period;

● Inflation rising slowly to an annual rate of over 8 per cent by 1989;

● A steady rise of public borrowing, with the need for tax increases rather than cuts if the Government were to keep to its planned path for borrowing;

● A progressive worsening of the current account of the balance of payments to a deficit of £3.5bn ($4.2bn) by the end of the period.

The Institute says that it is difficult to guess how policies might be changed to improve this general picture.

It admits that policymakers might consider several aspects of such a poor economic performance as unacceptable, or even as unsustainable. However, it believes that changes in policy could do little more than shift the discomfort from one variable to another or from one time period to another.

Even if the general economic environment turned out more favourable than assumed in its main forecast, the Institute thinks that the likely improvement in unemployment would be relatively small.

Even in the best case it considered, unemployment would remain at 3.2m by the end of the decade, with the inflation rate at about 5 per cent.

For the next two years, the Institute is predicting a rise of unemployment to 3.4m, with the inflation rate reaching 6 per cent by the end of 1986.

In its recent forecast, the institute has been more pessimistic than some other independent forecasters.

The Institute's scepticism about the claim of Mr Nigel Lawson, the Chancellor of the Exchequer, that lower wages would lead to less unemployment is reflected in several major articles in the current issue of the Institute's Economic Review.

● Mr Lawson, admitted yesterday that the Government has been consistently over-optimistic about the trend of unemployment during the recent economic recovery.

He told the all-party Treasury and Civil Service Committee of members of parliament that commentators had been wrong to say that the recovery since 1981 had been weak. If the Treasury forecast proves correct, output will have grown by 12 per cent in the 4 years to 1985.

Details, Page 19

Bank plan on capital raising

Continued from Page 1

on the Euromarkets, where billions of dollars worth of bank paper are traded.

The Bank says there will be concessions for banks who make markets or deal in bank paper as part of their basic business, although it warns that the rules are tight and special arrangements may be necessary to help banks to reduce the size of their holdings.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	F	18	64	Dubrovnik	S	18	64	Malaga	C	16	61	Salzburg	S	7	45
Akrotiri	F	20	68	Faro	–	—	—	Malta	C	13	55	Seoul	S	3	37
Algiers	S	17	63	Florence	S	15	59	Manila	S	30	86	Singapore	F	30	86
Amsterdam	R	6	43	Frankfurt	C	1	34	Miami	F	26	79	Stockholm	C	6	43
Athens	C	18	64	Funchal	–	—	—	Milan	S	9	48	Strasbourg	S	6	43
Bahrain	C	26	79	Geneva	S	7	45	Moscow	F	−4	25	Sydney	S	22	72
Bangkok	S	31	88	Gibraltar	C	16	61	Munich	–	—	—	Tampa	C	19	66
Barcelona	C	13	55	Guernsey	F	13	55	Nairobi	–	—	—	Tangier	S	17	63
Beirut	S	21	70	Helsinki	C	−6	21	Naples	S	17	63	Tehran	–	—	—
Belgrade	S	8	46	H. Kong	F	21	70	New Delhi	S	22	72	Tel Aviv	F	23	73
Berlin	C	6	43	Innsbruck	S	5	41	New York	C	16	61	Tenerife	S	24	75
Biarritz	S	18	64	Inverness	R	6	43	Nice	S	15	59	Tokyo	F	11	52
Blackpool	F	9	48	Istanbul	C	9	48	Oporto	F	14	57	Toronto	R	13	55
Bordeaux	S	7	45	Jersey	S	12	54	Oslo	C	9	48	Tunis	S	19	66
Brussels	C	11	52	Jo'burg	C	26	79	Paris	C	7	45	Valencia	S	15	59
Budapest	S	7	45	Las Palmas	F	22	72	Prague	S	4	39	Venice	–	—	—
B. Aires	S	28	82	Lima	F	23	73	Reykjavik	S	−3	27	Vienna	F	11	52
Cairo	S	23	73	Lisbon	F	18	64	Rio de J'o	C	28	82	Warsaw	S	5	41
Cape Town	S	23	73	Locarno	S	7	45	Rome	S	17	63	Zurich	Fg	3	37
Caracas	C	29	84	London	F	13	55								
Casablanca	–	—	—	Los Angeles	F	21	70								
Copenhagen	C	5	41	Luxembourg	–	—	—								
Corfu	S	22	72	Madrid	S	9	48								
Dublin	S	9	48	Majorca	S	17	63								

Readings at mid-day yesterday:

C–Cloudy D–Drizzle F–Fair Fg–Fog R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

U.S. stands firm on Gatt services issue

BY ANTHONY McDERMOTT IN GENEVA

THE U.S. will support the 1985 budget for the General Agreement on Tariffs and Trade only if it wins concessions from many of the 90 contracting parties meeting in Geneva this week on the controversial issue of free trade in services.

Mr Michael Smith, Deputy U.S. Trade Representative, qualified the U.S. position by saying last night: "We will not block the budget; we will support a budget; the question is what budget." The U.S. was thus reserving its position until it saw whether the Gatt work programme, agreed at the special 1982 session of the world trade body, included services.

He emphasised that for the U.S. the services issue was one of principle – the "linchpin" of an agreement – and that the credibility of Gatt was at stake unless it agreed to play a direct, active role in discussing and examining this sector, which he calculated amounted to about $500bn a year in trade.

Mr Smith was leading a counter-attack against opposition to detailed negotiations on the issue from the developing countries, led by India and Brazil. This confrontation, which has now been turned into an argument over the procedural issue of the budget, has threatened to cripple the conference. Indeed, yesterday morning's session was cancelled for this reason.

The budget expected to be approved at the conference is to rise by 11 per cent to SwFr 56.6m ($22.4m) of which the U.S. contribution would be 14.9 per cent. Gatt officials point out that if the U.S. makes no progress on the services issue, it will still be obliged to make its budget contribution.

Meanwhile, a group of ambassadors under the chairmanship of Sr Felipe Jaramillo of Colombia has been meeting in informal consultations to hammer out a compromise.

At the afternoon session, Mr Paul Leuten, leader of the EEC delegation, called for a new round of multilateral trade negotiations to follow the 1973-79 Tokyo round. Mr Smith said he was "delighted" to hear this and expressed U.S. support. He foresaw a scenario whereby serious discussions on "modalities" could begin next summer and run into the next session of the Gatt contracting parties a year hence. The new round could thus be launched in early 1986.

The issue of services in banking, insurance, telecommunications and transport, is currently outside the Gatt mandate.

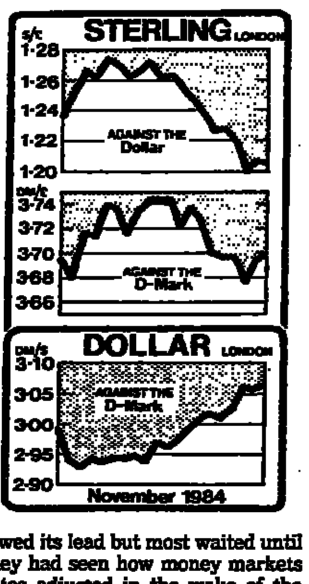
U.S. banks follow Chase with new cuts in prime

By William Hall in New York

THE VAST majority of leading U.S. banks yesterday cut their prime lending rates by half a percentage point to 11¼ per cent, reflecting the easier trend which has emerged in the U.S. money markets since the Federal Reserve cut its discount rate by half a percentage point to 8½ per cent last week.

The reduction in the U.S. prime rate, which is now standing at its lowest level since March 1984 follows growing concern about the sharp slowdown in the U.S. economy which has materialised in the last month.

Citibank, the biggest U.S. bank, had prompted the move towards lower U.S. prime rates on Monday when it trimmed its rate by a quarter of a percentage point to 11.5 per cent in what many bankers believe was an attempt to set a new level for the rate. A few other banks followed its lead but most waited until they had seen how money markets rates adjusted in the wake of the cut in the discount rate.



On Tuesday, Chase Manhattan, the third biggest U.S. bank, cut its rate by half a percentage point to 11¼ per cent and by yesterday lunchtime virtually all of the major U.S. banks had followed suit. First Chicago, which had announced a quarter point cut in the wake of Citibank's announcement on Monday, yesterday trimmed its rate by another quarter point in line with the other U.S. banks.

Citibank, which is often regarded as the market leader in U.S. corporate banking, continued to post a 11.5 per cent prime rate yesterday, as did Mellon Bank, which cut its prime on Monday. All of the other U.S. money centre banks, however, have announced 11¼ per cent prime rates.

The latest cut in the prime rate – the fifth general reduction since U.S. interest rates started easing in September – is expected to be followed by further cuts in U.S. interest rates in the weeks ahead especially if the U.S. economy shows further signs of slowing. Several economists are forecasting prime rates of 11 per cent or lower by early next year.

Robin Pauley in London writes: Nervousness returned to the foreign exchange markets yesterday with currencies hopping up and down, reflecting uncertainties about U.S. and European interest rates, the firmness of North Sea oil prices and whether Bundesbank intervention against the dollar was imminent.

While equities opened strongly in London, sterling opened down against the dollar and most other currencies and continued to slip slowly but surely throughout the morning. A rally in mid afternoon against the dollar was not sustained although sterling ended a jittery day by gaining a bit of lost ground against European currencies.

Money markets, Page 41; Stock markets, Section III

Indesit plans to halve workforce

Continued from Page 1

cent rise in nominal terms and a real drop of 7 per cent.

Indesit is 20 per cent owned by the Campioni family. British, French and other non-Italian investors have recently acquired holdings. The group's exports represent 70 per cent of turnover. Britain and France are Indesit's most important export customers.

News of Indesit's difficulties comes less than two weeks after Zanussi completed a complex restructuring deal with its creditors which opened the way for its effective takeover by Electrolux of Sweden. The merged company will have about a quarter of the European market.

THE LEX COLUMN

Primary schooling from the Bank

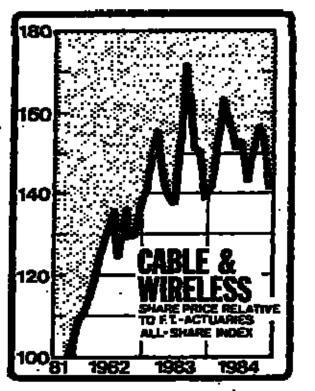
It is nothing new to question whether the UK banking system is well enough capitalised: the banks have demonstrated their own doubts on the question by raising so much new money in recent months. What has remained ambiguous is the type of capital required to keep the show rolling: a neat compromise on this issue has been the sale of perpetual debt, aiming to mimic the benefits of equity capital at rather less ultimate cost. Worried about quality as well as quantity, the Bank of England is now trying to decide which imitations are to count – for adequacy purposes – as the real thing: primary capital.

The proposed criterion is extremely strict. Reasonably enough, the Bank is seeking to exclude loans which stand to be called just when the borrower is actually relying on them; trigger clauses which could send a bank into insolvency are out. But a complementary kind of trigger looks like being mandatory; if the borrowing bank gets into enough trouble, conversion to equity is to be automatic. A perpetual note with this safety-mechanism would indeed be a close substitute for equity, from the Bank's point of view.

Commercial banks may wonder if it would not be too close a substitute entirely. The National Westminster's existing perpetual floater would fail the test, even though it has a covenant which would stop payment of coupons if ever the bank suspended its ordinary dividend – a weaker device intended to secure most of the same "equity" effect. It will be some consolation to existing perpetual borrowers that this kind of near miss will be regarded as more like primary capital than would a term loan raised under a cross-default clause.

But since the Bank's conditions will require lenders to convert precisely when there is no possibility of their being paid an ordinary dividend, it is doubtful whether this suggested form of primary loan capital will prove very marketable; anybody who might be prepared to lend on these conditions would be likely to insist on equity. Chances are, it will prove the end of the perpetual note market.

Cable and Wireless



Cable and Wireless could not match the other telecommunications company for razzamatazz yesterday, but in every other respect it did a fine job of keeping up with Telecom. News that pre-tax profits had risen by a quarter to £109m in the six months to September lifted the shares 20p to 403p, a new high.

Cable and Telecom may be quite different propositions, but yesterday's figures did illuminate at least one general truth about the industry – anyone who pushes up traffic faster than fixed costs makes a tidy return. Cable's 20 per cent growth in turnover owed hardly anything to tariff increases but, with costs rising only 15 per cent and currencies moving in its favour, trading margins widened by about 3 percentage points in sterling terms. In the Middle East and Africa Cable managed a return on sales of no less than 50 per cent.

With returns like that, Cable can perhaps afford to take a rather cavalier view of the quality-of-earnings argument. The Hong Kong settlement has, in any case pushed these doubts into the background, while the development of Mercury – proceeding apace –, should provide some UK ballast by the end of the decade.

The detail of Cable's profit statements remains rather elliptical and obscure but, in yesterday's market, that hardly mattered. Full-year profits of £235m would leave the shares on a multiple of just over 13 times after a 30 per cent tax charge. Now if Telecom were valued on that basis it would be worth...

MEPC

Yesterday's full year results from MEPC, showing pre-tax profits up 11.7 per cent to £45.1m, merely shook from its share price the gains made on Tuesday. The market had expected considerable currency gains from the U.S. and Australia, and these duly contribute as much to the 9.5 per cent increase in net assets per share as the revaluation of the properties. There may have been disappointment that the U.S. Sunbelt investments obstinately continue to perform badly – but the Houston properties look set to fall to the first half-way decent buyer while the Dallas Colonnade development is now 90 per cent full.

Now that rent reviews in the UK are flowing more steadily, gross rental income at home enjoys a decent increase of £7.5m despite the disposal of some £20m-worth of small and troublesome suburban property. While the £77.4m announced as committed to development errs greatly on the side of caution, MEPC will eventually have to pitch a bit for worthwhile new schemes. At 324p, down 12p yesterday, the share price none the less shows a discount to diluted group net assets of 23.9 per cent, quite in line with property as a whole.

Henderson Baring

The partnership between Henderson Administration and Barings in the Far East has suited both parties very nicely since it was established in 1977 but – like consortium banks – ventures of this kind tend eventually to cramp the style of one or other partner. So Henderson is now striking out on its own, picking up perhaps £4m on the way for its 50 per cent holding in Henderson Baring.

In the short term, that cash might be a small reward. Henderson will lose a valuable name and track record, each of which will be costly to reproduce. It evidently believes, potential rewards from the American pension fund dollar make the hard slog worthwhile.

Henderson will be starting a long way behind most of the pack but, if its success in attracting UK institutional funds is any guide, it should stay the course.

Certainly there was little to complain about in yesterday's interim figures, which showed pre-tax profits rising 43 per cent to £4.7m in dullish markets. The shares rose 30p to a new high of 505p, where the prospective p/e is around 9.

Published by The Financial Times (Europe) Ltd., Frankfurt Branch, represented by E. Hugo, Frankfurt/Main, and, as members of the Board of Directors, F. Barlow, R.A.F. McClean, G.T.S. Damer, M.C. Gorman, D.E.P. Palmer, London. Printer: Frankfurter Societäts-Druckerei GmbH, Frankfurt/Main. Responsible editor: C.E.P. Smith, Frankfurt/Main. © The Financial Times Ltd. 1984.

SECTION II – INTERNATIONAL COMPANIES
FINANCIAL TIMES
Thursday November 29 1984

Heritage studies takeover offer

By Our Financial Staff

UNITED Jersey Banks, the fast growing Princeton-based bank holding company, yesterday launched an unsolicited takeover bid for Heritage Bancorp, another New Jersey Bank whose proposed takeover by Mellon Bank of New York has been opposed by the Federal Reserve.

United's offer of $42 a share, which values Heritage at $180.6m, is conditional on Heritage's agreement to sell to United warrants for 1.2m Heritage shares at $34 apiece.

Heritage is studying the offer, which appears to be an attempt to exploit the legal morass blocking the Mellon bid. On Tuesday the U.S. Appeals Court denied Mellon's application to overturn a Fed order refusing approval for Mellon's merger with Heritage, which has assets of about $1.9bn.

Mellon said it continued to believe affiliation with Heritage Bank would result in significant benefits to the entire Central Atlantic region as well as to customers, employees and shareholders.

W. Germany lifts exports in machinery

THE WEST German construction machinery industry, helped by a strong dollar, is experiencing a boom in exports to the U.S. Reuter reports from Munich.

According to Herr Peter Jungen, chairman of the construction sector of VDMA, the machinery manufacturers' association, sales in the U.S. in the first nine months of the year were $3.9m up 106 per cent from the same 1983 period.

This made the U.S. West Germany's biggest foreign market for construction machinery, he said.

Philip Morris takes $140m write-down to cover brewery costs

BY WILLIAM HALL IN NEW YORK

PHILIP MORRIS, the world's second biggest cigarette company and brewer, is taking a $140m write-off in its final quarter to cover the costs of a new brewery which has been mothballed because of lack of demand.

Philip Morris said yesterday that the fourth-quarter write-down of the carrying value of its new brewery at Trenton, Ohio, would reduce earnings per share by $1.14. In the final quarter of 1983 the company earned $1.68 per share and in the first nine months of 1984 the group's earnings were 16.4 per cent ahead at $6.39 per share.

Philip Morris' brewing subsidiary, Miller Brewing has reported flat operating revenues for the nine months of 1984 and the company had earlier warned that its new brewery, which was finished in July 1984, would not begin production until such time as unit volume for Miller products increases.

The new brewery which cost over $400m has a capacity to produce 10m barrels of beer. Miller has added 35m barrels of new beer-making capacity between 1976 and 1980 and even excluding the new brewery at Trenton its estimated capacity of 51m is well in excess of annual demand for its products, which is running at an estimated 38m barrels in the current year.

Salomon Brothers has estimated that for Miller to operate at capacity in 1990 it would have to enjoy a 5 per cent compound growth rate annually, "a feat that appears unlikely in the stagnant industry environment" according to the brokerage firm. Philip Morris said that the brewery would be maintained in operating condition ready for start-up at short notice.

Arbed Saarstahl may need more state aid

BY PETER BRUCE IN BONN

ARBED Saarstahl, the long-troubled West German steel producer, will need a fresh injection of state aid early next year, according to the Saarland Government.

The steelmaker, which is the most heavily subsidised industrial undertaking in post-war West German history, won its last battle for about DM 77m ($25.2m) in aid with the European Commission less than four weeks ago.

Herr Edmund Hein, the Saarland Finance Minister, has said that Saarstahl will need a further DM 60m to DM 70m by the beginning of 1986 in order to stave off bankruptcy. The Federal and Saar governments have poured DM 3.25bn into the company since 1978.

Earlier this year, Bonn warned that it would pay "not a penny more" into Saarstahl, and Herr Hein said the Saar Government would have to make way for the aid in its 1985 budget.

Nevertheless, the prospect of a West German steel producer seeking permission from the Commission in Brussels to receive more aid will embarrass Bonn.

● West German steel consumption will probably stagnate next year, despite recent optimistic national economic growth forecasts, the West German steel industry association said yesterday.

It forecast a fall of 2 per cent in demand for reinforcing bars, a 2 per cent rise in flat steels and no movement at all in demand for steel sections

Earnings up £41.2m for Intl. Thomson

By Bernard Simon in Toronto

THE STRONG U.S. dollar played a major role in lifting International Thomson's third-quarter earnings to £41.2m ($49.4m), or 14.1p a share, from £31.7m, or 11.4p a share, after extraordinary items, a year earlier. Sales rose from £443.2m to £517.5m.

Besides the impact of the dollar, the company ascribed the earnings increase to a stronger performance by its British publishing interests and good production from the North Sea. Interest charges have declined, partly reflecting the sale earlier this year of the company's stake in Reuters.

Earnings for the nine months reached £94.4m, or 32.3p a share after extraordinary items, compared with £58.3m, or 20.9p a share a year earlier. This year's profit was boosted by an extraordinary first-half gain of £19m from the Reuter share sale.

Sales in the first nine months of 1984 rose to £1.3bn compared with £1.1bn last year.

The company said the strong dollar and high North Sea production had more than offset the loss of income from the accident last March in the Piper field, which cut output for about two months. The accident will thus not affect earnings for the year

In addition, development of the Balmoral field in the North Sea has started. The company said construction work was on target.

The UK travel subsidiary has achieved high volumes and load factors, but at the cost of narrower margins in the fiercely competitive British travel market. International Thomson said winter bookings were satisfactory in a relatively slow market. The final quarter of the year is normally a low time in the travel industry.

Chase Manhattan starts to reshape banking unit

BY OUR NEW YORK STAFF

CHASE MANHATTAN, the third biggest U.S. bank, has begun a major management reshuffle, splitting the bank into three core businesses which will report directly to Mr Thomas Labrecque, Chase's president and chief operating officer.

Chase Manhattan Bank, the main operating unit of Chase Manhattan Corporation, is to be divided into three new components – consumer banking, global banking and national banking – to "more accurately reflect its strategic priorities."

Mr Arthur Ryan, 42, will head the consumer banking operations which will serve individuals worldwide. Mr Anthony P. Terracciano, 46, will head international banking and be responsible for serving corporations and institutions worldwide through wholesale and investment banking. Mr Robert R. Douglass, 53, will head the national banking operation and will be responsible for accelerating the development of Chase businesses across the U.S.

Mr Willard Butcher, chairman and chief executive of Chase, said the modification in the group's organisational structure would enhance the development and implementation of strategies in a deregulated environment. "Chase's directions and its strategic objectives are clear," Mr Butcher said yesterday.

Chase's performance has lagged behind some of the other major U.S. money centre banks in recent years.

Mr Butcher said about the changes yesterday: "First, this reconfirms our long-standing commitment to the global wholesale market, and at the same time signals our clear intention to be a major global investment banking institutions.

"Second, it reaffirms our strategic commitment to the consumer market, on a global basis, and third, it says unmistakably that we intend to have a major presence across the U.S., competing in chosen local markets with the strengths of the best of the regional banks."

Mr Terraciano will also be responsible for Chase Manhattan Capital Markets Corporation which will be headed by Mr Frank Stankard. He will be replaced as international banking senior executive by Mr Don Boudreau.

Bank of Montreal edges ahead

BY BERNARD SIMON IN MONTREAL

BANK OF MONTREAL, Canada's second largest banking group, lifted net income fractionally to C$283.4 (U.S.$214.7m) in the fiscal year to October 31, compared with C$282.6m in the previous three months. Earnings per share, however, dipped from C$3.87 to C$3.37, reflecting a higher number of outstanding shares.

The results include earnings of Harris Bankcorp which was acquired by Bank of Montreal in early September. Bank of Montreal's total assets stood at C$78.5bn at the end of October, 21 per cent higher than a year earlier. Harris contributed more than two thirds of the increase.

Bank of Montreal said that the modest rise in its own loan portfolio was due to "the priority given to loan portfolio quality control and to improving lending performance and loan administration."

Loan losses fell by C$185.5m during 1984 to C$364.8m, reflecting "better economic conditions and corrective measures taken to improve loan quality."

U.S. utility financing plan approved

BY OUR FINANCIAL STAFF

THE NEW HAMPSHIRE Supreme Court has removed a major threat to the future of Public Service of New Hampshire, the troubled power utility, by approving its plan to sell up to $425m in debentures and common stock warrants.

The company, which owns a 35.6 per cent stake in the much delayed Seabrook power plant, had said it would run out of cash tomorrow if it did not have a favourable decision from the court.

The financing plan was approved by state regulators in September, but the company was unable to complete it because of appeals from anti-Seabrook groups.

In June the company sold $90m in short-term notes offering a 20 per cent interest rate as part of a rescue plan.

Bank creditors of Consumers Power, the Michigan utility which recently cancelled its $4bn Midland power plant, have cancelled their unsecured credit lines to the company as part of a series of measures to protect their $1.2bn loans already outstanding, AP-DJ reports.

The 80 banks, led by Bankers Trust, also want Consumers to omit payment of preferred dividends, and want any asset sales to be used to pay down the debt.

Disney in $202m equity repurchase

By Terry Byland in New York

THE BOARD of Walt Disney Productions, fresh from the expensive takeover defence battle of mid-summer, has authorised the repurchase of up to 10.4 per cent of the group equity, worth about $202m at current market prices.

Mr Michael Eisner, chairman, and Mr Frank Wells, chief operating officer, said Disney would buy in up to 3.5m of its 33.7m issued shares.

The company said that it regarded the planned stock purchases as "as attractive investment" for the company. Disney stock gained $1¼ to $58⅞ after the announcement. In October, the Bass brothers, now the largest stockholders in the film and leisure company with 25 per cent of the equity, paid Mr Irwin Jacobs $61 a share for his 6.9 per cent stake. In June, however, the previous Disney management bought out the 4.2m shares held by Mr Saul Steinberg for an effective $70.83 a share, plus $28m in expenses.

Braniff faces fresh threat

FORT WORTH – Mr Jay Pritzker, chairman of Braniff Inc, told a Federal bankruptcy judge that the revived airline may face bankruptcy again if current legal battles drag on much longer.

Mr Pritzker testified last Tuesday in a case brought against the airline by Braniff Liquidating Trust, which is objecting to the carrier's plan to lease 10 of its grounded jets.

The trust filed the suit claiming that no matter what Braniff called its agreements with third-party carriers they were the same as subleases.

Subleases are forbidden by the terms of Braniff's lease with the trust for the 30 aircraft. AP-DJ

Japan chips away at its financial barriers

Japan formally lifts its restrictions on the issue by non-residents of Euroyen bonds on December 1. Trading in the first batch of issues has already started in the grey market. Robert Cottrell reviews progress to date towards the goals of financial liberalisation agreed between the Japanese and U.S. governments last May.

THE PRESENT wave of liberalisation of Japan's financial markets, dating primarily from the May report of the yen/dollar working party constituted with U.S. Treasury officials, has transformed the way in which the country's financial institutions are thinking and talking about their future. No bank or broker's annual report has been completed this year without its flourishing paragraphs welcoming a freer and more competitive domestic operating environment, and looking forward to adventurous expansion abroad.

The practical effects of liberalisation have so far been limited though significant. On April 1, the Ministry of Finance (MoF) abolished its "real demand" rule, which had previously prevented residents from engaging in speculative forward exchange transactions.

Banks have been allowed, since June 1, to import unlimited foreign currency funding for conversion into yen—a freedom which may help foreign banks in Tokyo to improve their traditionally dismal profit performances. These changes have spilled over into Tokyo's foreign exchange market, where transactions in the yen against major European currencies increased by 50 to 100 per cent in July and August.

The Tokyo Stock Exchange now seems willing to sell a seat to a foreign broker—if any foreign broker is willing to pay upwards of U.S.$3m-5m for the privilege. The MoF is considering several applications to set up joint venture services linking Japanese banks and stockbrokers, until now rigorously separated by legislation patterned on the U.S. Glass-Steagall Act.

These developments, however, are dwarfed by others envisaged but not yet realised. Some, like the imminent foreign issuers' Euroyen bond market, are ostensibly simple matters of timing. Yet although a Euroyen bond market theoretically has been open to Japanese resident issuers since April 1, no issues have actually been made because it is the consensus among Japanese institutions that the Government must abolish its 20 per cent withholding tax on such bonds before they can viably be sold.

The Government has remained disinclined to comply, or to yield to arguments for establishing a fully-fledged "off-shore banking facility" in Tokyo to spare Japanese banks the expense and inconvenience of maintaining large offices in London.

Some of the changes planned in May could still come about as scheduled, but are for the moment still being debated within Japan. The MoF is committed to coming up with "concrete proposals" by the end of this year for establishing a yen-denominated bankers' acceptance market in Tokyo. In the meantime, it must decide whether the market should be open to securities houses and banks, or only to banks; and how far, if at all, banks' exposure to customers through acceptances should be aggregated with their direct loan exposure for domestic regulatory requirements.

The MoF is also fine-tuning its plans to let foreign banks do trust banking business next year, again as scheduled in the May yen/dollar report. The attraction here is access to Japan's big corporate pension funds, whose management is restricted to authorised trust banks and life insurance companies. The MoF may have to face more foreign table-banging if, as is provisionally now expected, only seven or eight foreign banks are admitted, three or four of them American.

That sort of number would not be enough for the U.S., and certainly not for Britain or other European countries. The British are already smarting about their institutions' failure to obtain stockbroking branch licences in Tokyo. None of Tokyo's 10 foreign stockbroking branches is at present wholly British-owned, though two or three British firms may be licensed early next year.

Japan's potentially most significant liberalisation, that of retail interest rates, remains the vaguest and the most distant prospect. Interest rates on large bank deposits may be deregulated in 1986-87, though in the meantime the free availability of interest rate and currency "swap" arrangements, maturing government bonds, and overseas investment opportunities should give large depositors plenty of alternatives.

Deregulating small deposit rates, however, will do away with the cheap funding cushion on which Japan's commercial banks, and its huge State-owned Post Office Savings Bank, depend. Small-deposit deregulation looks as if it may come in 1988-89 at the earliest. If it does, it will complete the major transition of Japan's financial system from a primacy of institutions to a primacy of markets.

Rising full-fare traffic boosts SAS

By David Brown in Stockholm

SAS, the Scandinavian Airline System, reports a third year of sharply improved earnings in the midst of the gradual recovery for the rest of the world's airline industry, as it continues to increase its volume of full-fare traffic.

Group profits before extraordinary items, allocations and taxes rose 36 per cent to SKr 792m ($90m) for the financial year ended September 30 from the SKr 583m achieved last year. For the airline alone, which contributed SKr 729m to total profits, the increase was 58 per cent.

Extraordinary income of SKr 189m from an aircraft sale brought the pre-tax result to SKr 918m, or virtually double the previous year's figure. Group turnover rose to SKr 18bn from SKr 15.97bn.

Traffic in Europe, which makes up about half the airline's turnover, grew by 8 per cent and outpaced the industry average. Nordic traffic, which makes up most of the remainder, also showed a strong improvement centered mainly in Sweden. Overall passenger traffic grew by 10.1 per cent to 10m.

Irish ministers snub Far East shipowners

BY BRENDAN KEENAN IN DUBLIN

THE Irish Government has refused to meet a delegation representing Hong Kong and Japanese shipowners affected by the liquidation of the state-owned Irish Shipping group. The owners, who chartered nine vessels to Irish Shipping, yesterday met Mr Maurice Tempany, the provisional liquidator, for talks on a possible rescue package.

The group, led by Mr Frank Chao, of the Hong Kong-based Wah Kwong Company, wanted to meet either Mr Alan Dukes, the Irish Finance Minister, or Mr James Mitchell, the Communications Minister. Mr Chao says he believes Irish Shipping could be saved if the Government would agree to invest I£60m ($59m) over the next five years.

However, a government statement said the affairs of Irish Shipping were totally in the hands of the liquidator and it would be improper for the Government to intervene at this stage. Mr Tempany has indicated that he thinks only a renegotiation of the charter contracts at below current spot rates for freight could save the company.

Estimates for the losses faced by the six ship owners vary between $50m and $100m because of the liquidation. The Irish Government calculated that it would cost I£150m to keep the company going over the next five years under the terms of the charters, which were negotiated in partnership with the Cardiff-based Reardon Smith Line.

Mr Chao said the Government's decision to put a liquidator into a state-owned company could be very damaging to international shipping and banking in general, and to Ireland's overseas image.

The Irish Government faces a bill of more than I£60m in guaranteed loans and other costs because of liquidation. Two ships flying the Irish flag have already been seized when they docked and their crews were flown home.

Boskalis unable to meet bond payments

BY LAURA RAUN IN AMSTERDAM

ROYAL BOSKALIS Westminster, the financially troubled Dutch construction group, warned yesterday that it cannot pay the interest and principal due on Friday on its outstanding bond, renewing speculation over its future viability.

The announcement was the first public indication that the company is unable to meet its financial obligations. Boskalis initially sparked fears of insolvency in September, when it reported a Fl 69m ($20m) loss for the first half of 1984, much of it arising from pipelaying activities in Argentina.

Since then, Boskalis has released too little information about its financial affairs to satisfy the Amsterdam bourse, which pressured the company into calling an extraordinary shareholders meeting for December 20.

An extraordinary bondholders meeting is scheduled for December 21, at which time holders can decide whether to accept Boskalis' request for a three-year suspension of interest and principal payments on the bond. The payments due on Friday on the 5½ per cent subordinated, convertible bond amount to Fl 6.4m.

Another fear is that Boskalis, which is based in Sliedrecht, has exhausted its ability to raise fresh cash through further sales of subsidiaries. Since September Boskalis has sold or announced plans to sell five apparently healthy subsidiaries, leaving a number of loss-making units with few attractions to potential purchasers.

Wella ahead at nine months

DARMSTADT — Worldwide group pre-tax profits at Wella, the West German hair-care and beauty products maker, rose by 13.1 per cent to DM 93.9m ($30m) in the first three quarters of 1984, from DM 83m in the same period last year. Worldwide turnover climbed 11.4 per cent, to DM 1.14bn from DM 1.02bn.

Parent company pre-tax profit was up 15.6 per cent, to DM 22.2m from DM 19.2m in the first three quarters of 1983. AP-DJ.

Switzerland losing appeal as holding company base

BY JOHN WICKS IN ZURICH

SWITZERLAND has lost ground as a location for holding companies, according to the Association of Swiss Holding and Finance companies. A downward trend is reported to have continued in 1983, the total number of joint stock (AG) and limited liability (GmbH) holding corporations having dropped over the year from 12,552 to 12,053.

Like the banks, which have also been expressing concern at Switzerland's loss of competitive ability as a financial centre, the association blames this development largely on a deterioration in Swiss tax conditions.

The association claims that, *except for a few cantons, little* has been done to improve the fiscal situation of holding companies since their inception in Switzerland in 1917. It adds that although holding companies as such are not excluded from double-taxation agreements, as in countries such as Luxembourg, the position of foreign-controlled holding companies is subject to obstacles from various government restrictions and regulations.

Apart from the fiscal considerations, however, the association says that the Swiss holding company remains an internationally accepted vehicle for the co-ordination, control and financing of commercial and industrial participations. "There are few foreign centres which offer non-fiscal advantages comparable to those of Switzerland."

Despite this, foreign finance companies may soon find it rather harder to set up business in Switzerland. Addressing the association's general meeting, Dr Markus Lusser, Swiss National Bank director, spoke in favour of tighter controls over so-called "bank-type finance companies."

These "parabanks" should, he said, be subject to a licensing system similar to that currently applied to banks. This would mean they had to prove an adequate capital and meet the same standards with regards to personnel and organisation as are laid down in the Swiss Bank Act.

INTL. COMPANIES & FINANCE APPOINTMENTS

HK auction lifts hopes on property recovery

By David Dodwell in Hong Kong

PROPERTY DEVELOPERS gave Hong Kong a vote of confidence yesterday when the first prime site to be auctioned since the initialling of the Sino-British agreement in September attracted a fierce bidding contest, and a sale price 40 per cent higher than the most optimistic expert forecasts.

The result adds weight to claims that Hong Kong's depressed property sector is starting to recover, and is expected to give a powerful boost to share prices when Hong Kong stock markets open this morning. In London trading overnight, Hong Kong property stocks were marked up significantly.

The successful bidder was *Quinnolex, a Sino-Japanese* joint venture company, which paid HK$190m (U.S.$24.3m) for a 30,000 sq ft waterfront site in East Tsim Sha Tsui. Most property experts had forecast an auction price of around HK$120m. The site is the last available in this prime area, and is likely to be developed as an hotel.

The partners in Quinnolex are Kumagai Gumi, the Japanese group that has won a number of fiercely contested construction contracts in Hong Kong in recent *months, and Shum Yip* (S.Z.) Trading, a mainland Chinese group based in Shenzhen, the special economic zone on Hong Kong's border.

Property analysts emphasised that the success of the auction—in a prime area where no other new sites for development remain—does not automatically indicate that commercial property prices elsewhere, or prices for residential or industrial property, are yet improving. But it is an indication that the slide that has continued since 1982, wiping 50 per cent off most property values, has come to a halt.

Record operating profits for Japanese trust banks

BY YOKO SHIBATA IN TOKYO

COMBINED pre-tax profits of Japan's seven trust banks for the half year to September 30 jumped by 41 per cent over the same period of the previous year to a record Y82.9bn ($338m), chiefly because of lower funding costs following a reduction *in* the dividend rate on *loan trusts in November* 1983. All seven banks reported double-figure growth in income thanks to higher trust fees, interest received on loans, and interest and dividends on securities.

Operating profits, which are regarded as the main earnings indicator of trust banking business, jumped by 27.7 per cent to a best ever Y65.9bn, but Yasuda Trust Bank set aside Y3.5bn against its exposure in financially troubled countries, which left its own operating profits down by 53.1 per cent.

Another reduction in the dividend rate on loan trusts from April 1984 will contribute to a further improvement

In view of their robust earnings performance, the trust banks are expected to be criticised for opposing the *Ministry of Finance's decision* to allow eight foreign banks to engage in Japan's trust banking business in the form of setting up subsidiaries, or joint ventures with Japanese trust banks.

This was announced at the November 14-15 follow-up meeting of the Japan/U.S. yen-dollar committee.

The Ministry set a ceiling of eight on the number of eligible foreign banks because the Japanese trust banking business is undertaken by seven trust banks and Daiwa Bank, which engages in both ordinary banking and trust banking business. However, the MoF's approval of the foreign banks has created nightmares for the Japanese trust banking industry.

Mr Seiichi Kawasaki, the president of the Trust Company Association of Japan complained that eight foreign banks was too many. He had expected the entry of four or five foreign banks, as he had interpreted the MoF's new policy as emergency measures.

Foreign banks have wanted to do trust business in Japan for some time to get access to the fast-growing private pension fund market which is exclusively preserved for Japan's seven trust banks and its 21 life insurance companies. They are currently managing *Y12,000bn of corporate pension* funds and expect the market to reach Y60,000bn by 1991. Japanese city banks and securities houses would also like to do trust banking business.

● Last week's table of Japanese City bank results contained a number of errors. In terms of overseas revenues, Fuji Bank's Y23.7bn was down 8.5 per cent, Tokai Bank's Y20.6bn was up 16.2 per cent, and Saitama Bank's Y7.1bn was up 27 per cent. Also Taiyo Kobe's net profits were down 14.6 per cent.

INTERIM RESULTS

	Income (Ybn)	Rise (%)	Operating profits (Ybn)	Rise (%)	Net profits (Ybn)	Rise (%)
Mitsubishi	358	18.9	16.1	89.0	8.4	29.2
Mitsui	322	23.2	13.5	19.2	6.4	13.8
Sumitomo	310	33.3	20.5	29.3	8.4	28.6
Yasuda	286	47.4	3.5	−53.1	4.7	18.0
Toyo	170	30.2	9.8	55.4	4.2	12.2
Chuo	95	32.9	2.0	25.0	1.3	12.0
Nippon	48	21.2	0.5	−4.3	0.7	1.4
Total	1,589	37,1	65.9	27.7	34.1	20.7

Police to investigate Bank Bumiputra loan scandal

BY WONG SULONG IN KUALA LUMPUR

MALAYSIAN POLICE are to begin investigations which could lead to criminal charges being brought against certain executives of Bank Bumiputra, the country's largest bank, over its US$ 1bn loan scandal in Hong Kong.

The bank, which is now owned by Petronas, the national oil company, following last September's rescue operation, filed two reports to the police last Tuesday.

The reports were based on recommendations by the committee, headed by Tan Sri Ahmad Noordin, the Auditor-General, which investigated the affairs of Bumiputra Malaysia Finance, the Bank's Hong Kong subsidiary.

The committee found that as at December last year, BMF's accounts showed outstanding loans of HK$ 6.13bn owing by the Carrian and Eda property groups, which are now under liquidation.

Tan Sri Abu Talib, the Attorney-General, who disclosed the police investigations, said Bank Bumi had alleged that *it had evidence to show* that a loan of US$ 40m had been made to a Carrian company by BMF without the knowledge and approval of the bank.

The bank also claimed that some executives had received consultancy fees from BMF *between January 1980 and June* 1983 without the bank's knowledge.

Tan Sri Talib said the police would give top priority to the investigations as the case was of national interest. He said if the investigations indicate *sufficient evidence against* certain bank executives, criminal charges would be brought

So far, only five senior execuives, including three directors, have resigned from the bank

Public issue by Hyundai Engineering

SEOUL — Hyundai Engineering and Construction began a two-day public issue of 50m new shares of 500 won par value at 850 won each yesterday as a step towards its public listing on December 22, Lucky Securities, the lead manager said.

The issue, through 22 local securities and investment companies, is expected to be oversubscribed at least three times and, with a value of 42.5bn won (U.S.$52m) will be the biggest by a non-bank South Korean company since Samsung Semiconductor and Telecommunications raised 24bn won through a public offering in July.

The final results of the issue will be announced on December 6.

Reuter

Top posts at NEI

NORTHERN ENGINEERING INDUSTRIES has appointed **Mr C. W. Beaumont** as finance director on the main board. He joins from International Computers where he was director, supply division, and takes his new post at the end of January. **Mr Paul R. Whitehouse**, sales and marketing director has been appointed managing director of NEI Nuclear Systems, Gateshead. **Mr Chris J. Packard** has been appointed managing director of NEI Projects, Newcastle upon Tyne. He was turbine generator contracts director of NEI Parsons.

★

Mr James Alexander Barbour has been appointed to the board of DE BEERS CONSOLIDATED MINES. He joined the London-based Central Selling Organisation in 1959 where he is an executive director. He is resident in the UK.

★

LOVELL FARROW CONSTRUCTION, London-based part of Lovell Construction, has appointed **Mr John Morrissey** as construction director. He was with Fairclough.

★

Mr Keir J. Hopkins has been appointed director of international network services, ICL. He was director of application systems division and will continue to be responsible for ICL's UNIX strategy and retain his directorship of CADCentre, in Cambridge. He succeeds **Mr Christopher C. Gent**, who is leaving ICL to join another company.

★

BABCOCK INDUSTRIAL AND ELECTRICAL PRODUCTS has appointed **Mr A. B. Harding** as managing director of the Gloucester Railway Carriage & *Wagon Co. He will replace* **Mr J. S. P. Phillips** who retired at the end of November.

★

Mr Brian Talbot has been appointed a diivsional director of Pointon York (Insurance, Pensions and Investment Services) and a director of Pointon York (Taxation and Investment). He joined POINTON YORK in 1982.

★

Mr Robert W. Dutton has joined COUNTY BANK as a senior assistant director in corporate advisory division. He was an assistant director at Hill Samuel.

★

REUTERS has appointed **Mr Michael Cooling** as manager, corporate relations based in London and **Mr Michael Reilly**, investor relations manager, Reuters North America, in New York from January 1. Both are former Reuter financial journalists.

★

Scottish and Newcastle Breweries has appointed **Mr William McCosh** as managing director of WILLIAM YOUNGER AND CO. He joins from the Whitbread Group where he was managing director of Whitbread London Trading.

★

Mr F. Stuart Frost has been appointed a senior executive within NATIONAL WESTMINSTER BANK'S planning unit, domestic banking division. He was head of the bank's clearing department.

★

VINE PRODUCTS has promoted **Mr Tony Allen** to technical director and **Mr Max Davis** to operations director.

★

Dr Chris Wilson, a former managing director of ICL and a non-executive director of Ansafone since 1982, has been appointed managing director of ANSAFONE CORPORATION. He succeeds **Mr Brian Lloyd**, who is leaving to pursue personal business interests. **Mr Michael Smith**, finance director, adds responsibility for commercial cperations.

★

Mr Jack Haslam has joined the board of AMRA (Advertising Media Representation Agency) as financial director. He was financial director of Mills and Allen.

★

Mr David Gerrard, formerly with Plessey, has been appointed as COMMODORE UK'S marketing manager.

★

Mr Michael Paul has been *appointed* director, PERCY FOX AND CO., to succeed **Mr Nick White**, who has left the company by mutual agreement.

★

Mr David L. Thomas has been appointed sales and marketing director of PLATONOFF AND HARRIS, Cambridge, a wholly-owned company of Taddale Investments. He was director of estimating.

★

Sir Eric Yarrow will retire from the board of YARROW on April 23 1985, on reaching 65. He will become president for two years. **Mr J. Edward Boyd** will become non-executive chairman following Sir Eric's retirement. Mr Boyd is a Scottish chartered accountant.

★

Following the acquisition of Royal Worcester Spode by LRC International, **Mr Ray George** has been appointed managing director of ROYAL WORCESTER SPODE in succession to **Mr Lyn T. Davies** who has retired. Mr George was deputy chief Executive and has been with the company since 1970.

★

We have been asked to point out that **Mr Edward R. S. Whitfield** is still chief executive of MANAGEMENT HORIZONS (HOLDINGS), and that **Ms C. Jane Westgarth** is to become an executive director.

De Beers pushes back the tide in dig for Orange River diamonds

BY GEORGE MILLING-STANLEY, RECENTLY IN ORANJEMUND

THE BLUFFS at the mouth of the Orange River, the border between the Republic of South Africa and Namibia, the world's richest source of gem diamonds, are about a mile apart. That would also be the width of the river mouth but for the action of the Benguela Current, which comes up from the Antartic and sweeps northwards along the western fringe of the African continent, depositing sand and silt in the river mouths as it goes.

The mouth of the Orange is, however, never more than 20 yards across, between the mud and sand banks on either side, and is kept open to the sea only by earth-moving operations by the local people. Earth-moving has emerged as a way of life to the people who live in Oranjemund, an artificial oasis of green on the northern bank of the Orange.

Oranjemund is the company town of Consolidated Diamond Mines, a wholly-owned subsidiary of South Africa's De Beers Consolidated Mines, and everyone in the town works for CDM, barring a handful of civil servants in the local police and postal services.

The diamonds recovered from Namibia's otherwise totally barren coastline are something special, even in the highly specialised world of gemstones. No-one knows for certain where they originated, although it is assumed that they were picked up by the Orange River somewhere along its 1,300-mile journey from the heart of South Africa, deposited in the sea at the mouth of the river and washed northwards up Africa's Atlantic coast to be laid down in marine terraces which run for hundreds of miles, as far north as Angola.

All this happened perhaps 90m years ago, and it is to the method of transport that Namibia's diamonds seem to owe their unique quality: swept along by the river and the coastal current, the smaller and poorer-quality stones were lost, leaving a harvest of high-quality gems, rounded by being scoured against each other in their violent journey—which greatly reduces costs in the eventual cutting process.

The richness of the Namibian diamond fields, which have been mined for over 50 years, has made for huge investment in machinery and infrastructure.

It is hard to find the measure of this investment, as the financial details of CDM's operations are masked by consolidation into those of De Beers. The book value of the investment stands in De Beers' accounts at over R20m ($11.1m), but the real value at today's prices is many times that.

Last year, CDM contributed 14 per cent, or R50.4m ($28m) to De Beers' net profits of R360.1m, and the figure was one held down by the continued weakness in world demand for the larger, better-quality gems which make up 95 per cent of the Namibian operation's output.

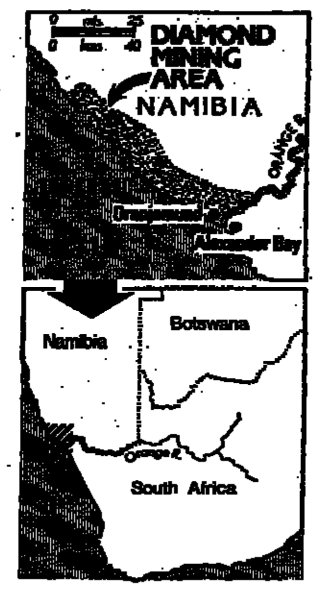
Oranjemund is now a town of some 8,000 souls, where no human habitation existed before the discovery of the diamonds. CDM maintains a fleet of 200 earth-moving vehicles to remove the sand, up to 60 feet thick in some places, which overlays the diamond-bearing marine terraces.

These operations are currently shifting each year something approaching 60m tonnes of sand and rock for the recovery of around 1m carats of liamonds, worth more than R200m at current prices. But the miners of CDM are not content wth vanquishing one enemy, in the form of the sands of the Namib Desert, and have turned their attentions to pushing back the Atlantic surf as well.

The diamond area is confined on the landward side by what is known as the East Cliff, an outcrop of rock just a few yards high, which lies about two miles inland of the high-water mark at the southern end of the mining area, but is no more than about 300 yards at the northern extremity, some 50 miles up the coast.

CDM engineers some years ago devised a system which would allow them to recover diamonds from below the high-water mark, with the sand being used to construct a sea wall about 15 yards high and up to 20 yards thick, some 200 yards offshore. Constant pumping is required to maintain this wall and to dry out the area enclosed by it, a box some half a mile long and a quarter wide.

Speed is of the essence in this sort of operation, and each box is stripped in two or three months. Once pumping ceases, the violence of the waves ensures that the sea reclaims its own.



Brana Radovic

The distance to which mining operations can be carried out beyond the original coastline is gevered by the shelving of the beach, which varies widely along this coast. Lately, however, CDM has found a number of areas where it can go out 400 yards, using the same type of coffer dams to hold back the sea. This operation, reminiscent of the efforts of King Canute, is known prosaically to CDM staff as "Western block mining."

CDM believes that, by means of western block mining in addition to its conventional operations, and through its current experiments in increasing the efficiency of sand removal with new types of machinery and speeding up conglomerate recovery with vacuum technology, it wil lstill be mining into the next century. It now seems increasingly likely, however, that politics will soon take an active part in CDM's future, in the shape of the South West Africa People's Organisation

SWAPO, the military wing of which is engaged in what it sees as a liberation struggle conducted from Angolan territory against the South African defence forces in Namibia, has been uncharacteristically reticent over its intentions towards CDM. Virtually everyone in Namibia, including the military, concedes that SWAPO would win a free and fair election if such a thing where to take place tomorrow.

However, little is known about what a SWAPO Government's policies would be beyond a broad commitment to a one-party state, a system which has proved inimical to the interests of private-enterprise mining companise in other black African countries.

Diamond mining in Namibia, with its population of 1m, is represented solely by CDM, and is one of the four pillars of the country's economy. The uranium mining operations of Rossing, part of the Rio Tinto-Zinc group, are still faring reasonably well, in spite of the downturn in worldwide demand, but over-fishing has considerably reduced the scope of the pilchard industry, while the combination of seven years of drought and 18 years of intermittent guerrilla warfare has taken a severe toll of the country's traditional agricultural base.

Wtih CDM having provided the bulk of Namibia's revenues for a number of years — until it was overtaken a year or so ago by Rossing—any new administration in the territory would see advantage in coming to terms with the diamond miners.

Members of SWAPO's political wing, based in Windhoek, the Namibian capital, implied recently that any decision was up to CDM. "We would like to see them stay, but the determining factor of their decision would be the stability of the country. Obviously, we hope that their response to a change of government would be governed by economics," said Mr Philip Tjerije, a SWAPO official.

This suggests a recognition by SWAPO that CDM would have to be allowed to continue to make profits, and it is widely accepted that the best solution for both sides would produce a similar relationship to that which has been hammered out between De Beers and the authorities in Botswana. There, the ownership of the operating company, Debswana, is shared equally between De Beers and the Botswana Government, with the government share of profits being about 70 per cent.

TECHNOLOGY

EDITED BY ALAN CANE

RUBBER COMPONENTS COMPANY INVESTS IN HANDLING TECHNIQUES

How to put the seal on automation

BY PETER MARSH

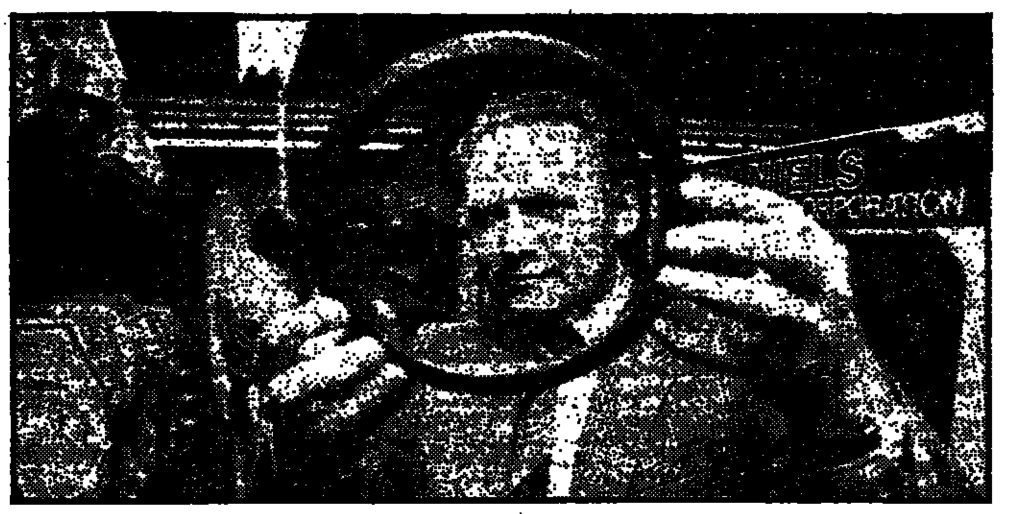
WITH A modest investment in handling technology and computers, a small rubber-products company has cut significantly its problems in getting the right goods to its customers at the right time.

Hallite Seals of Hampton, near London, faces difficulties familiar to most small manufacturers. The company has a huge variety of products—rubber seals sold to the engineering and hydraulics industries—which are made in batch sizes that range from half a dozen to tens of thousands.

At any time, Hallite's workers supervise no fewer than 3,000 different moulding operations to produce seals at the rate of a million a month.

To control production of these items as they proceed between different parts of the factory floor is a "planner's nightmare," to quote Victor Clark, Hallite's production director.

Over the past two years, Mr Clark has spent £150,000 on implementing in stages a programme to keep track of the products with a computerised handling system. Hallite's staff has written software for the equipment because nothing suitable existed.



Victor Clark shows some of the rubber seals which have benefited from Hallite's automation plan

To control production of items as they proceed between different parts of the factory is a planners' nightmare

The results are best described in the words of Brian Eastwood, marketing manager at the company: "better customer satisfaction."

This follows from the greater control by managers of the different phases of the production process. In the past, shop-floor operators were given a batch of work that might take weeks to finish. More often than not, customers who phoned up with an urgent order would have to wait until the batch was finished before their needs were satisfied.

With the new equipment, the people who operate the machines on the factory floor are given work in small amounts that take only an hour to complete. These men and women shape or trim with machinery small pieces of rubber that are transported around the workshop in 4,000 small orange boxes.

Details of the work in progress are logged with a computer that oversees the complete operation. As a result, managers can quickly intervene, for instance to speed up work on a certain kind of seal if a customer wants a batch in a hurry.

According to Mr Clark, it used to take about three months to make a new kind of seal to a customer's specification. The factory has reduced that time by half.

With the new techniques, it is also quicker to replenish stocks of standard products that are made routinely in batches of thousands. Customers can be serviced from the warehouse with 80 per cent of these standard items. Prior to the advent of the control hardware, the figure was 65 per cent.

Another result is that the company has reduced manufacturing scrap by a quarter and work in progress by a third.

These figures apply only to the one machine shop (which accounts for 40 per cent of Hallite's output) to which the company has so far applied the new technology. Over the next year, Hallite plans to instal similar hardware in its second machine shop.

Victor Clark of Hallite Seals won a special prize of £1,000 in a competition in manufacturing technology organised by Willis Faber and the Institution of Mechanical Engineers.

Other prize-winners, in the results of the contest announced last week, were engineers from STC and Westland Helicopter (who shared £10,000) and teams from Lucas and Leyland Vehicles (who obtained a total of £4,000).

In the contest, engineering groups were asked to submit details of improvements in production techniques and relate them to changes in the commercial performance of their companies.

Application of the control system has coincided with expanding demand for Hallite's products. Annual sales of around £8.5m are "growing steadily," says Mr Clark. About a third of output is exported.

The company has 400 employees, 80 more than a year ago.

The seals themselves range from small washers to rubber rings of a metre or so in diameter that feature in the flasks with which the Central Electricity Generating Board transports nuclear wastes.

Other seals are used in hydraulic machinery, for example in fork-lift trucks, tunnelling equipment and pumping hardware for oil pipelines.

To produce the items, synthetic rubber in the shape of long strands of material is placed between dies in a pressing machine. At the same time, the rubber is heated to about 150 deg C.

As a result of the heat, the rubber enters the "cured" state. It becomes elastic and flows into the cavities of the mould to produce a piece of material of the right shape for the final product.

Several other operations are required before the seal can be sold. For example, bits of surplus material must be trimmed away. And other items of rubber, perhaps reinforced with fabric, may need to be added in an assembly operation to adapt the seal for a specific task.

In the machine shop into which Hallite has incorporated the control system, some 60 items of hardware, each tended by an operator, are responsible for these different jobs.

Pieces of rubber are shunted between the machines in the small orange boxes which travel on conveyors. Each box has a label giving details of the work required of the operator. The same information is entered into an NEC microcomputer, which logs when the work is finished.

The microcomputer also feeds data to a Honeywell mainframe which contains information about customer sales and orders.

Hallite has installed in other parts of the factory—in the second machine shop and in the sections in which rubber is extruded into long chord-like segments—other NEC computers which are linked to the mainframe in a similar way.

ELECTROPLATING SPECIALIST SETS UP ADVISORY SERVICE

Improving the image of platers

BY LORNE BARLING

A COMPANY which believes that the techniques employed in the British plating industry are largely outdated is offering a new service — advice on plating technology (APT) —to improve the productivity of customers' plating shops.

The company, A. T. Poeton and Son of Gloucester, is an independent electro-plating specialist which provides high technology finishes for the U.S. space shuttle and the aerospace industry.

Mr Anthony Poeton, managing director, said the service would be aimed at the 2,000 in-house plating shops in Britain, many of which were "inefficient and, frankly, out of date."

He said that there was no real incentive for the suppliers of plating equipment, such as the tanks and other hardware, to be concerned with the plating techniques employed, with the result that innovation was limited.

In addition, few chief executives had enough knowledge of their own in-house specialist operations to bring about reforms. Investment had been withheld during the recession, as plating was regarded as a standard activity.

This was totally misguided, Mr Poeton said, since the whole area of protective coatings and metal applications was changing fast due to new demands from customers.

For example, it was now possible to achieve plating to very precise tolerances, obviating the need to reduce the outer surface of plating at considerable cost and some weakening of the coremetal.

He suggested that Britain's 700 or so specialist plating companies, many of which are quite small, were generally using advanced techniques, while in-house facilities are lagging behind badly, costing their companies dearly.

Mr Anthony Poeton, managing director, hopes to set up a plating service

Poeton, which has quality standard approvals in Europe and the United States, urges companies making components in steel, brass, copper, cast iron, titanium (used by Poeton for its shuttle work) and plastics, to achieve these standards.

The advice scheme is designed to save costs and achieve wider product acceptability. A two day assessment covers waste treatment, heat treatment, laboratory facilities, storage of chemicals, main services, processing techniques, shop design and layout, suitability and adaptability of buildings, personnel quality and qualifications.

The audit may also recommend areas for joint managerial remedial action. "The team, taking an impartial outsider's view of plant and personnel, are accustomed to joining or leading a client's own management team to bring about the improvements," Poeton said.

The company's work has covered a very wide range, from simple automotive components to gun barrels for tanks and large cylinders used in the printing industry.

More recently, it has carried out work for Ford, plating pressing dies for car body panels, thereby reducing maintenance work and improving quality.

CELLULAR RADIO SYSTEMS

Philips opts for Racal's Vodafone

PHILIPS, at one time a fierce contender for a licence to operate its MATS-E cellular mobile radio system in the UK, has agreed with Racal to manufacture Vodafone mobile equipment and also sell air-time on the Racal Vodafone system.

Racal Vodafone was one of the two successful applicants for a licence last year and is owned by Racal, Hambros Technology Trust and the U.S. company Milicom. The other successful bidder was Telecom Securicor Cellular Radio, jointly owned by British Telecom and Securicor. The services are due to start by March 1985.

The Philips Vodafone equipment will be made by Pye Telecommunications, a UK Philips subsidiary, in Cambridge from late 1985. Meanwhile, Pye will obtain mobile sets from the same source as Racal Vodafone, namely Mobira in Finland and Panasonic in Japan.

Computers

Handheld terminals

HUSKY COMPUTERS has launched two ruggedised hand-held computers, the Husky SP and a more powerful version of the well-known Husky Hunter.

Each has 352 bytes of usable random access memory, making them suited to applicatons where relatively complex software needs to be downloaded to the machines from mainframe computers. This enables a degree of artificial intelligence to be implemented in a portable system, says Husky, "for the first time."

The company says that programs of this type can form the basis of expert systems where large databases are enhanced by updates from the results of interactive question and answer prompts.

Both machines offer full software programming of all the keys, allowing the development of highly secure software to complement the rugged safety provided by the hardware. More on 0203 668181.

Software

Office systems

ONE OF the largest Department of Trade and Industry software product scheme grants has gone to a new Scottish company, Office Workstations Limited (OWL) of Edinburgh, to help develop a documentation package.

The £250,000 government grant follows a start-up £300,000 invested in the company as a venture capital project by the Scottish Development agency, 3i and Candover Investments.

Mr Ian Richie, OWL's managing director, said the software programme was designed to meet an expected market for office workstations which were now coming down in price.

UK COMPANY NEWS

Brickhouse Dudley maintains progress

A CONTINUATION of the upward trend experienced in the latter part of last year and a considerable improvement on the previous first half, have been shown by Brickhouse Dudley for the six months to the end of September 1984. Pre-tax profits moved ahead from a depressed £279,000 to £785,000 on a lower turnover of £18.27m against £19.15m.

Mr R. A. Graves, chairman, is confident that the second half will show a continuation of the profit progress, which if maintained, might allow consideration of a modest improvement to the final dividend.

The interim dividend has been held at 0.95p. In the last full year a final of 2.25p was also paid, from pre-tax profits of £919,000 on turnover of £37.07m.

First half earnings per 10p share are shown as rising from 1.18p to 2.7p.

At the annual general meeting last August, Mr Graves had said that restructuring undertaken within the group, which supplies materials and services to the building and civil engineering industry, was bearing fruit.

Commenting on the first half he says that the manufacturing division, despite problems of escalating raw material costs, continues to make productivity and efficiency gains, and is once again a healthy contributor to group profits.

The merchant division and export company, consistently reliable profit earners, have matched their targets and the civil engineering division, after some further restructuring, is growing in line with expectation in its traditional business.

Government strictures placed upon local and water authorities have delayed the progress of E. W. Avents pipe renovation systems section, but good headway is being made.

Mr Graves is encouraged by the keen interest in the company's renovation techniques being shown from overseas and is confident that the substantial investment made will, in due course, reap rewards.

He concurs with the growing opinion that strategic investment must be made in the national infrastructure. Such a move would clearly underpin the fortunes of the group.

At the trading level profits rose from £467,000 to £983,000

Far East operations boost Cable & Wireless to £109m

SHARPLY HIGHER contributions from its Far East and Pacific operations enabled Cable and Wireless to lift profits before tax above £100m for the first time at the six months' stage.

And with earnings showing a 3.1p rise at 13.5p per 50p share the net interim dividend is being stepped up from 2.4p to 2.9p.

Profits surged by £22m to £109m on the back of a £60m rise in turnover to £366m.

The group, one of the first companies to be privatised by the Government, supplies telecommunication services and facilities, almost entirely overseas. Had it not been for varying exchange rates between the two half years profits would have been some £5m lower.

The Hong Kong Telephone Company has been included as a subsidiary for the whole of both periods for comparative purposes and last time's figures have been restated accordingly.

In his interim report Sir Eric Sharp, the chairman, says compared with the corresponding period of last year, the increases in profit from the established businesses have produced a 25 per cent overall improvement in profit before tax and a 30 per cent increase in earnings per share after absorbing the costs of establishing Mercury Communications in the UK and accelerating development in the U.S.

Mercury will have its basic UK network in operation in the first half of 1985, Sir Eric says. It is attracting major customers at a significant rate.

The directors will continue with their strategy of major investment and business expansion allied to profitable growth.

A regional breakdown of group turnover and pre-tax profits shows: Far East and Pacific £206m (£173m) and £74m (£55m), pre-acquisition profit nil (£9m loss), Middle East and Africa £41m (£30m) and £20m (£12m), Western Hemisphere £59m (£47m) and £10m (same), Europe and projects £60m (£56m) and £5m (£6m), and Mercury £5m loss (£1m loss).

Associates added £14m (£12m) but the contribution from investment income, leasing and net interest received fell from £9m to £2m. Central costs absorbed £8m (£7m) and the employee share scheme £3m (nil).

Tax for the half year accounted for £35m (£32m) with the overseas charge up from £12m to £20m.

Sir Eric Sharp

Attributable profits emerged at £61m (£47m) after taking account of minority interest of £13m (£8m). The interim dividend will cost £13.05m (£10.8m).

There has been no significant change in group net borrowings since March 1984.

Group pre-tax profits for the 1983-84 year rose by £33m to £190m.

See Lex

Illingworth recovery continues

Illingworth Morris, Europe's largest wool textile manufacturer, has maintained its recovery trend in the first half of 1984/85.

With sales rising by £4.31m to £44.72m the profit, before tax, for the six months ended September 30 1984 has increased from £1.11m to £1.88m.

The result follows a jump in profits from £21,000 to £2.37m in 1983/84. Back in 1977/78 the group was making record profits of almost £5m but by 1979/80 it had fallen into losses of £2.2m rising to £2.5m the following year.

The directors say in their interim statement they have reviewed the performance and current situation of each of the company's operations very thoroughly, and in assessing future financial requirements they remain committed to reducing borrowings still further and to building the reserves.

This time the lower level of overdraft has reduced interest charges from £773,000 to £539,000 and this, coupled with an improvement in production efficiencies, has led to improved profitability. However, the directors add that the need to conserve resources continues, and further action may be necessary.

The tax charge of £265,000 (£46,000) has been reduced by losses brought forward from previous years.

By the late 1970s the group's affairs had become increasingly dominated by Mrs Pamela Mason, ex-wife of the late film star James Mason, who held a *controlling 46 per cent shareholding* in the company.

Mrs Mason made a number of unsuccessful attempts to remove the top management of the company because of its poor performance. In October 1981 she announced the planned sale of her shareholding to Mr Alan Lewis, a Manchester financier who ultimately made a bid for the rest of the company. In the same month Mrs Mason was ousted from the board.

There is again no ordinary dividend—the last payment was 0.75p in 1982—but the preference is being paid. Net earnings per share are stated at 3.9p (2.5p adjusted). The company is controlled by Alcrafield, the master company of Mr Alan Lewis.

● comment

The first phase of Alan Lewis's recovery strategy for Illingworth, Morris, is running nearly on schedule. The extent of unproductive fat carried by the sprawling textiles giant when he took over last year is only now becoming apparent. Tighter cash management, a more creative employment of assets and improved operating efficiencies have helped to trim bank debts from £12.3m to £4m, a manageable 17 per cent of shareholders' funds. The group expects to have cleared its borrowings entirely—with the help of the £1.6m Pepper Lee disposal—by next year. Operating margins, meanwhile, have widened fractionally as cost increases have been held a couple of points behind price inflation. The next stage gets off the ground next January when Crombie moves from cloth to garment manufacture as part of the group's plan to edge closer to the retail market and thus become more in control of the notorious cyclical swings of the textile trade. The market, clearly, has high hopes, having pushed the price up by 30 per cent over the past two months. At last night's price of 53p, the historic multiple on the "A" share is 9, in line with the sector for the first time in years.

Intervision warns of substantial losses

Mr Jarvis Astaire, who was appointed chairman of Intervision Video (Holdings) in a board shake-up in June, warns shareholders that "substantial losses" have been incurred by the company and that no dividends will be paid.

He says that since the early part of the year the business of distributing video cassettes in the UK by way of sale to dealers has suffered a "serious decline" which has affected Intervision in common with other distributors.

Mr Astaire also blames additional costs that have arisen from Intervision's joint venture arrangements made in March with CBS/Fox Video.

Furthermore, he says that a decline in business volume and the level of recent trading losses is also bringing into question the carrying value of the company's film and tape libraries, and of the value attributed to goodwill.

Intervision's shares, unchanged yesterday, are languishing at their 10p par value, giving a market capitalisation of £2.68m.

While the expansion of the joint venture leasing operation is proceeding, Mr Astaire says that costs are having the effect of further depressing final results for the current period, which ends tomorrow.

In the six month period ending last December the company reported sharply lower taxable profits of £65,000, against £420,000, and passed the dividend.

Looking ahead, Mr Astaire says that new business from multiple retailers is now coming on stream, but points out that benefits will not be felt until 1985. Overall, he says that Intervision can look forward to a much improved position in the year to end November 1985.

In addition, leasing plans for 1985 based upon business currently being obtained indicate a "healthy revenue and significant profitability."

CityFed planning SE listing

By Andrew Baxter

CityFed Financial, the tenth largest U.S. savings and loan institution, plans to list its shares on the London Stock Exchange early next year as part of a new long-term strategy to diversify its funding sources.

Last month CityFed, which had assets of $7.35bn (£6.1bn) at September 30, 1984 launched a $75m Eurobond, the first to have mortgages as collateral rather than mortgage securities—packages of mortgages backed by U.S. government agencies. The company is due to sign today a $40m syndicated credit facility from European banks.

The company says that it sees the London listing as a means to make the shares more visible in Europe and raise CityFed's profile to help with any future Euromarket borrowings.

CityFed is a new holding company for City Federal Savings and Loan Association, which has grown rapidly in the U.S. by exploiting deregulation of the financial services industry and of interest rates.

MEPC pushes up asset values

MEPC believes that it is essential for a property company to modernise its properties to protect and increase asset values, and any buildings which are not capable of meeting the standards required will be sold.

The effect of this policy, says Mr R. W. Adam, group chairman, in his full year statement, is a gradual reduction of MEPC's investments but larger average investment in each property.

Re-investment in better quality buildings, says Mr Adam, shows a lower initial return and there is a time-lag before the income benefits flow.

MEPC, he points out, has shown that it has been able to carry through this policy and at the same time achieve rising profits which, he reports, rose from £40.41m to £45.18m before tax over the year to end-September 1984.

Net asset value per 25p share at the end of the year stood at 426p, a rise of 9.5 per cent over the 389p level shown a year ago.

Earnings per share improved from 11.5p to 13.6p, and the final dividend is being lifted to 6.5p (6p) for a total of 9p (8p).

The chairman says that the quality of MEPC's UK portfolio and the success of completed developments have ensured a strong growth in net income from the home markets. In continental Europe and in Australia the company's properties, including new developments, were virtually fully let. In the U.S., however, the market was more patchy and weak demand adversely affected the letting programme and income in some areas.

"The underlying trend as demonstrated now for several years, remains strong. That this growth has been achieved is a mark of the quality and diversity both geographically and by type of the company's investments," says Mr Adam.

Both the American and Australian dollar strengthened against sterling during the year and benefitted the group in both assets and earnings.

Shareholders' fund increased from £801.9m to £873.9m during the year. Some £58.1m of the increase was due to surpluses, after allowing for minority interests, on the revaluation of investment properties and realised profits on sales. The balance of the increase was mainly due to currency factors.

Last January MEPC took advantage of the availability of long-term fixed rate money with a £70m debenture issue having a 40-year term. This, says the chairman, continued MEPC's policy of refinancing short-term borrowings incurred for developments with long-term funding and placed the company in a position to meet the cost of planned developments.

Cash balances at the year-end of £94.6m remain strong, he says and adds that MEPC's present capital commitments in the UK and overseas are £84.1m. This figure includes the total costs of developments commenced, including the first phase of the Reading offices, which will be partly funded by the Legal and General Group.

The commitments figure excludes the expenditure planned for the shopping developments at Sheffield and Royal Leamington Spa which the company expects to commence in the current year.

In April MEPC's Australian subsidiary acquired a 49 per cent interest in A.S.C. Property Trust, a publicly quoted unit trust group at a total cost of A$23.5m. This holding will give MEPC a means to continue its investment in Australia and maintain a balance between its activities there and other areas of overseas investment.

Despite a background of continuing difficult market conditions, the American subsidiary completed lettings of 80 per cent of phase one of the Colonnade office development in North Dallas and has commenced the construction of phase two, comprising 305,000 sq ft of offices, which is due for completion in September 1985.

MEPC decided not to proceed with the development of offices on the land at Texas Plaza, also in Dallas, where it has now completed the infrastructure work. Its interest in this site will be sold.

Group net income from investment properties over the 12 months amounted to £74.04m (£64.84m). Administration and other expenses totalled £6.84m (£5.44m).

The taxable result included other income of £14.44m (£12.92m) and was struck after finance costs of £36.49m (£31.91m). Tax took £18.96m (£16.58m) and extraordinary debits accounted for £417,000 (credits £933,000). Minorities took £346,000 (£285,000).

See Lex

Carless Capel set for £7.5m

WITH FIRST-HALF pre-tax profits up by £1.72m at £3.08m Mr J. T. Leonard, the chairman of Carless, Capel & Leonard tells shareholders that the group is well on its way to meeting the forecast for the year of £7.5m

He says that prospects for the future remain strong. The group's offer to acquire Premier Consolidated Oilfields lapsed earlier this month.

Turnover for the opening six months to September 30, 1984, totalled £53.3m (£40.41m)—the group has interests in petroleum refining, hydrocarbon solvents, naptha and petroleum fuels, oil and gas exploration and chemicals.

The interim dividend is held at 1p net. Earnings per 10p share were shown as amounting to 3.6p (1.5p). The profits forecast (4.94m was reported for the previous full year) was given in September. At that time Mr Leonard said he was confident that with the acquisition of a stake in Wytch Farm the group would achieve a substantial increase in profits for the year.

The purchase of a 7.5 per cent interest in the Wytch Farm oilfield was completed in May and is already producing income for the group. BP as operator has submitted plans to Dorset County Council for increasing field production. It is hoped development of the Humbly Grove oilfield will commence early in the New Year.

The group also hopes to supplement its offshore interests by participating in the ninth round of offshore licensing.

● comment

Carless Capel & Leonard should have little difficulty meeting the £7.5m pre-tax forecast for 1984-85 made during the failed bid for Premier. These interims were well on target, bouyed by a particularly strong U.S. performance, and in the second half the group's downstream businesses should take up the running. Looking further ahead, however, some questions remain unanswered. First Carless must decide what to do with its 15 per cent stake in Premier, now worth less than the £14.5m purchase price. Second, the group will need to ensure that it can adequately fund its plans for U.S. expansion as well as its UK on-shore development commitments. Third, the group will *probably need to increase UK* exploration spending to make the most tax-efficient use of its UK production. Most of all Carless needs a good old-fashioned exploration success on a wildcat. Perhaps the Mappower well in Hampshire will—and boost the shares, which languished unchanged yesterday on 183p.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purposes of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims: Anglo American Corporation of South Africa, Bassett Foods, Celestion Industries, Country Gentlemen'smen's Association, Dawson International, Delmar, Habitat Mothercare, Hargreaves, Humphries Holdings, Redland, Scapa, 600 Group, Triefus, R. Kelvin Watson.

Finals: Thomas Borthwick, Morland, Royal Bank of Scotland, United Wire.

FUTURE DATES

Interims:

Alva Investment Trust	Dec 6
British Tar Products	Dec 6
C. H. Industries	Dec 5
Equity & Law Life Assur. Soc.	Dec 18
Greycoat City Offices	Dec 13
Morgan Communications	Dec 5
Shaw Carpets	Dec 7
Sheraton Securities Intnl.	Dec 10
Thorpac	Dec 13

Finals:

Baynes (Charles)	Dec 12
Cooper (Frederick)	Dec 11
Reliant Motor	Dec 7
Trafalgar House	Dec 4

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
BPB Inds	int	3.1	*Jan 25	2.8	—	7
Brickhouse Dudley	int	0.95	Jan 5	0.95	—	3.2
Cable & Wireless	int	2.9	March 30	2.4	—	6.5
Carless Capel	int	1	Jan 18	1	—	2.75
Centreway Inds	int	0.1	Jan 4	0.6	—	1.8§
Evans of Leeds	int	1.38	Jan 10	12.5	—	3
Hampton Trust	int	0.35	Jan 17	Nil	—	Nil
Henderson Admin	int	4	—	3	—	10
M & G Second	int	4.9	—	4.5	—‖	8.54
MEPC		6.5	Jan 24	6	9	8
Monks Inv	int	1.1	—	1.1	—	2.4
Mountview Estates	int	1	March 25	1	—	4.5
Rosehaugh		3.36	—	2.87	3.36	2.87
Scottish Mercantile		5.7	—	5.7	7.7	7.7
Steinberg Group	int	1	—	1	—	2.2
T R Property	int	1.35	Dec 28	1.2	—	3.15

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock. ¶ For nine month period. ‖ Minimum 9.45p total forecast.

Public Works Loan Board rates

Effective November 28 1984

Years	Quota loans repaid by EIP†	Quota loans A‡	Quota loans at maturity§	Non-quota loans A* repaid by EIP†	Non-quota loans A‡	Non-quota loans at maturity§
1	—	—	10	—	—	10¾
Over 1, up to 2	10¼	10¼	10⅜	11¼	11½	11½
Over 2, up to 3	10¼	10⅜	10⅜	11¼	11½	11¾
Over 3, up to 4	10½	10½	10½	11½	11½	11½
Over 4, up to 5	10⅝	10⅝	10⅝	11⅝	11⅝	11⅝
Over 5, up to 6	10¾	10¾	11	11½	11½	11½
Over 6, up to 7	10¾	10¾	11¼	11½	11½	11⅝
Over 7, up to 8	10⅞	10⅞	11⅛	11⅞	11⅞	11⅞
Over 8, up to 9	10⅞	10⅞	11⅛	11⅞	11⅞	11⅞
Over 9, up to 10	10⅞	11	11	11¾	11½	11½
Over 10, up to 15	11⅛	11⅛	10⅞	11⅞	11⅝	11½
Over 15, up to 25	10⅞	10⅞	10⅞	11½	11½	11
Over 25	10½	10⅞	10⅞	11	10⅞	10⅞

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

UK COMPANY NEWS

Henderson Admin. funds managed pass £2bn mark

Henderson Administration Group now has over £2bn of funds under management and a 6.16 per cent share of the unit trust industry says Mr John Henderson, chairman, in his report covering the six months to September 30 1984.

The increase in managed funds from £1.7bn was, says Mr Henderson, due more to the impact of new clients and cash flow into existing funds than to movements in stock markets.

"This is a trend which we view with considerable encouragement," he says and adds that "the progress made in the period has reinforced our stated belief that continued independence and specialisation is the appropriate course for our company."

Commenting on the group's increased unit trust share, the chairman says that the greatest contribution came from Henderson Pension Fund Management where total funds under management rose to over £570m, excluding the £217m invested through exempt unit trusts.

Group taxable profits for the period rose from £3.27m to £4.67m and the interim dividend has been lifted 33 per cent to 4p net per share, which is covered more than six-fold by stated earnings per share, before a transfer to initial charges, of 25.39p (17.08p).

Gross revenue amounted to £8.27m (£6.35m) and operating profit, after expenses, came out at £2.93m (£2m). Associate companies contributed £810,000 (£909,000) and interest receivable and investment income rose to £1.21m (£536,000). Interest payable amounted to £275,000 (£182,000).

Tax absorbed £2.04m (£1.54m) and there was a £62,000 (£236,000) transfer to initial charges equalisation reserve, leaving an attributable balance of £2.56m (£1.49m). Dividends will take £414,000 (£310,000).

In 1983-84 the group pushed taxable profits up from £4m to £8.73m and paid total dividends of 10p.

The group is holding discussions with Baring Bros. and Co. which could lead to Henderson selling its 50 per cent holding in Henderson Baring Management.

Henderson Baring has been jointly owned by Henderson Administration and Baring Bros. since 1977 and has provided investment management services mainly in Far Eastern securities.

Mr Henderson says that the growing internationalisation of the investment management business and of the U.S. Erisa market in particular has led the directors of both Henderson Administration and Baring to conclude that the two groups should each become totally self-sufficient in international markets.

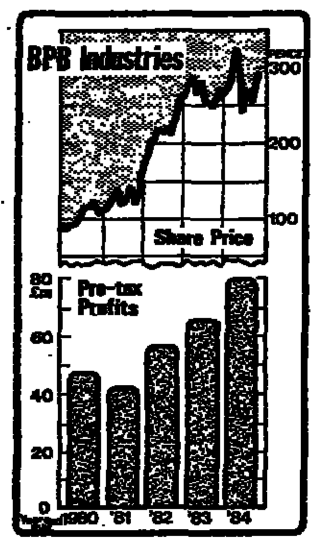
See Lex

BPB ahead and prospects good

AN OVERALL improvement in results both at home and overseas has lifted BPB Industries to pre-tax profits of £40.4m, against £36.7m, for the half-year to September 30, 1984.

Turnover of this holding company with interests in the manufacture and sale of plasters, plasterboard and other building materials and packaging products, increased from £251.9m to £286.9m.

The interim dividend is being lifted from 2.8p to 3.1p net, and shareholders are told that prospects for the second half remain good. While some levelling off in demand is likely, an improvement in the overall result is expected, the directors say.



Demand for the company's building materials in the UK increased in the half year, although at a lower rate than in the corresponding period. Operating profits of £23m (£21.8m) were achieved by companies in this sector, showing a general improvement, with the exception of the glass fibre insulation division where the results have been depressed by poor demand and low selling prices.

The second of the two new plasterboard plants at East Leake is being commissioned and will shortly begin normal production, the directors say. In addition, sales of paper and packaging products in the UK increased, with profits higher at £5.7m (£4.8m) despite significantly increased raw material costs.

Overseas, the Canadian companies continued exports to the U.S., and, with higher selling prices, produced record profits of £5.1m (£2.4m). The plastics division of Westroc Industries (Canada) was sold at the end of the period.

In France and Ireland the results were affected by depressed markets and poor prices.

There was a higher group tax charge of £11.7m (£8.4m) in the UK, and £4.5m (£3.7m) overseas, reflecting the completion of some major investments.

Minorities were doubled at £0.2m (£0.1m). Net earnings per 50p share were shown lower at 12.6p against 12.9p.

● **comment**

These latest results from BPB bear out the warning in June that the growth rate is slowing down. The volume increase in building materials, notably plasterboard, has eased to 3 per cent, lending support to the belief that the UK construction cycle is peaking. The basis for this is that housing starts have dipped, although any setback here is partially offset by an increase in completions. The implication of these statistics is that without more housing starts, the number of completions will also start to fall. While this will obviously increase competitive pressures, the industry's steady switch from wet plastering to dry lining will provide BPB with some insulation from the colder marketplace, as will the small price rise from January. Elsewhere, Canada is beavering away on the back of strong export demand from the U.S., but Ireland and France are struggling bravely. The price rise, a favourably U.S. currency position and trouble-free commissioning of East Leake 2 should put the group on target for around £88m. After higher tax at 40 per cent, the shares, at 280p, down 12p, are selling on a prospective multiple of almost 10, which looks to be fair enough for the moment.

MINING NEWS

Ok Tedi warns of further delay

BY KENNETH MARSTON, MINING EDITOR

THE SECOND STAGE of the copper-plus-gold development at the Ok Tedi open-pit mining venture in Papua New Guinea may suffer further delays because of low copper prices. Mr Irwin Newman, general manager of the venture, says the development *may be delayed until* 1989. Originaly the second stage was planned for mid-1986, but it recently became clear that the date would be put back by one year.

Meanwhile, the profitable stage one gold-only operations, which started up in August, are running below design capacity because of the silting up of leaching tanks. Even so, more than 1,000 kg of gold have been exported, and the value of gold output in November exceeded $11m (£9.2m).

The operating company is recommending that stage two be delayed because of low copper prices, but this and other matters will be discussed at a board meeting next week.

Mr Newman pointed out that metal prices were substantially below what was predicted when the feasibility study was done in 1979 and when the project started to go ahead in 1981.

The back-pedalling on copper production has prompted the Papua New Guinea Government, with a 20 per cent stake in the venture, to announce this week that it is to withhold further funds for its share in the stage I gold-only development.

The Government fears that the other shareholders, notably Broken Hill Proprietary (30 per cent) and Amoco Minerals of the Standard Oil of Indiana group (30 per cent), will mine out the profitable gold "cap," leaving a large low grade copper property with doubtful economic value.

Instead the Government wants the companies to move faster on the establishment of a hydro-electric power scheme and a tailings dam which are essential to copper production. Their completion would allow production of a gold and copper mix which would stand a much better chance of achieving profitability than copper alone and, of course, would earn foreign exchange.

The irony of the situation is that it is believed that $200m of funds have just been raised for the stage II development. Furthermore, the companies say that they cannot recoup their capital on mining Ok Tedi's gold alone, but are clearly hoping to delay mining the copper in the hope of better prices.

The government has said that it will reconsider its blocking of further funds for stage I when work is started on the power plant and dam.

Narex strikes gold in old Swiss workings

TORONTO-BASED Narex Ore Search Consultants has applied for prospecting rights in the Sessa area of Switzerland, one known as New California.

In preliminary exploration the company has discovered rich gold volues in an area of old workings of between 30 and 136 grammes per tonne of ore, reports John Wicks from Zurich.

Should the deposits prove large enough and workable Narex will in due course make application to the authorities of Canton Ticino for a mining concession.

The deposits are situated in the parishes of Sessa and Astano, which are close to the Italian border. Although the parishes are in favour of the project some environmentalists are showing concern, particularly at the arsenic content of the gold-bearing pyrites.

However, the company plans to transfer the concentrated ore to foreign plants for actual smelting.

Narex is also considering the possibility of exploring other former goldming sites in Switzerland.

These could include the Gondo and Salanfe reserves in Canton Valais and the Goldene Sonne mine at Felsberg in Canton Grisons.

COMPANY NEWS IN BRIEF

The Cronite Group finished the year to end-September, 1984, £202,000 in profit at the pre-tax level and the start of the current year indicates that growth will be maintained and profitability sustained.

All divisions are now trading profitably.

However, in view of a continuing deficit on revenue reserves the dividend is again being passed. The group incurred losses of £1.02m for 1982-83.

* * *

Yearling bonds totalling £10.25m at 10 1/16 per cent, redeemable on December 4, 1985, have been issued by the following local authorities: Aylesbury Vale District Council £1m; Merthyr Tydfil Borough Council £0.5m; Castle Point District Council £0.25m; Milton Keynes (Borough of) £0.75m; Restormel Borough Council £0.25m; Scunthorpe (Borough of) £0.5m; Ealing (London Borough of) £1m; Hillingdon (London Borough of) £1m; Kirkaldy District Council £1.5m; Strathclyde Regional Council £1m; Islwyn Borough Council £0.5m; South Bedfordshire District Council £0.25m; South Derbyshire District Council £0.25m; Newcastle-upon-Tyne (City of) £1m; Tamworth (Borough of) £0.5m.

* * *

Horncastle Hotels is raising £0.37m by an issue of shares under the terms of the Business Expansion Scheme. Minimum subscription is for 3,000 shares (or £525) before taking into account BES relief.

The company owns the Hackness Grange Country Hotel in the North York Moors National Park and is proposing to purchase the Clifton Hotel in Scarborough for £430,000. It anticipates profits before tax of £94,000 for 1985.

Horncastle intends to expand over the next few years by acquisitions of established hotels It means an over -the-counter market in its shares within six months. The closing date for subscription to the issue, which is being handled by Capital for Companies, is December 12.

* * *

Property investment and development group Evans of Leeds raised pre-tax profits by £182,675 to £2.01m in the six months to September 30, 1984 and is lifting the net interim dividend from 1.35p to 1.375p. Ttotal income was little changed at £3.29m (£3.27m) but interest charges were lower at £1.28m (£1.44m).

* * *

Moorgate Mercantile reports group profit, before tax, for the half to September 30, 1984 at £401,000 (£330,000), an improvement of 25 per cent. There is an interim dividend of 0.45p (0.40p) per ordinary share absorbing £99,530 (£76,471). Turnover for the first half year at £11.7m was up 24 per cent and deferred revenue at the end of the period had increased from £3.3m at March 31, 1984 to £4.1m at September 30, 1984.

* * *

Rosehaugh—Dividend 3.36p (2.87p) year to June 30 1984. Turnover £26.43m (£14.6m). Pre-tax profit £3.4m (£1.8m) and earnings per share 31.8p (29p).

Groups interest in Woolworth Holdings has further increased materially in value. Interests are in the form of options to effectively acquire 2.65m shares of Woolworth between 1985 and 1989 for a consideration of some £1.50 per share, which would result in an aggregate cost of some £4m.

* * *

Pre-tax profits of Renwick Group amounted to £243,000 for the six months to June 30 1984. The company has changed its year end to December and the results compare with £1.02m for the nine months to December 1983.

However, the results for the nine months included those of Renwicks Travel up to the date of sale. The remaining travel interests were sold in January

UK COMPANY NEWS

Centreway gets overseas approach for Servis stake

BY RAY MAUGHAN

Servis, one of the best known names in washing machines manufacture, could either be up for sale again or will undergo another capital injection.

Its 50 per cent owner, Birmingham-based investment holding company, Centreway, revealed that it had received a number of approaches including one from a major overseas company. They all express interest in the possibility of acquiring all or part of Centreway's stake.

The group has held this since the summer of 1982 when Centreway undertook a part rescue, for a nominal consideration, of Servis's previous parent company, Wilkins & Mitchell.

The remaining Servis equity is held by Wilkins & Mitchell's original shareholders and the management, headed by former Centreway director, Mr Vernon Lowe, is now trying to develop proposals for a rights issue. Centreway, advised by Charterhouse Japhet, believes that Servis is trading profitably in the second half of this year but has not been prepared to underwrite the entire issue and it may be that one of the interested parties will be bought in to help underpin the rights.

Centreway's holding in Servis was written out of the 1983 balance sheet and the group will discuss with its auditors how its share of Servis' profits or losses should be treated in the forthcoming profit and loss account.

Profits from Centreway at £79,000 against £133,000 in the six months to June were slightly lower than originally anticipated. They reflect timing delays in profit generation that have arisen from the process that the group is engaged in of gradually transforming its core investment base from component manufacturing and vehicle distribution to investments in higher technology and leisure related activities. The recovery which was earlier expected to come through in the second half is now liable to be delayed until 1985.

Centreway's interim dividend is reduced from 0.6p to 0.1p.

Edge Shoes has again generated a very satisfactory trading performance but the caravan business, S. J. & E. Fellows, has experienced significant pressure on margins and the process of earning an adequate return at the Westerley Yachts subsidiary will depend heavily on the increased productivity and design value engineering capability now required.

Currys outlines tax benefits

BY RAY MAUGHAN

CURRYS' shares climbed 13p to 540p yesterday as the electrical retailer outlined the tax implications of the planned £71m property portfolio disposal to its shareholders.

As the next extension of the £242m offer from Dixons draws to a close tomorrow, Currys said that the option either to take 150p in cash or in 8½ per cent loan notes is the most efficient way of transferring its worth to shareholders.

The property sale price implies a 22 per cent discount to gross values — less than the sector discount — which represents the tax resulting from the sale and leaseback programme. the note or a listed 7¼ per cent convertible stock will qualify for rill-over relief.

Responding to Dixon's criticisms of the tax effects of the propertsy disposal proposal, Currys explained that "if properties are sold, without re-investing the proceeds in capital assets, a measure of capital gains tax will be payable. This would be the case whether it is done under our proposal, or by Dixons, if it were ever to win control in order to refinance its acquisition borowings of £109m or more. Either way tax is payable but only under our proposals would you benefit."

The Scheme of Arrangement required for the disposal is expected to become effective at the end of March or the beginning of April. Currys was certain that Dixons' could not block the disposal. Because even if it were to vote its maximum permitted 15 per cent Currys holding against, "the necessary resolution would still be carried if holders of only one-third of Currys' shares votes in favour, and we are confident of achieving much more than this level of support."

Taking Dixons' shares price at 426p, after a 9p rise yesterday, the bid was worth 531p which means that Currys' market price has maintained its recently won premium to Dixons' terms although the market is expecting a very close finish not later than the final expiry day on December 16.

BP to wait for Matthey meeting

BY RAY MAUGHAN

IT IS now considered unlikely that British Petroleum will be in a position to decide whether to pursue its mooted bid for Johnson Matthey, the refining and speciality chemicals group, before JM's crucial extraordinary meeting on December 6.

The meeting has been called to sanction the terms of a £25m cash injection, at an effective price of 56p per share. After modifying the terms of the original re-financing proposals which had given 27 per cent shareholder Charter Consolidated sole rights to subscribe for new convertible stock, investors have become increasingly concerned at the prospects for JM.

The shares have retreated from a price of comfortably over 100p before the meeting was convened and lost a further 7p yesterday to 75p.

In part, this was caused by the apparent inactivity on the BP front but the oil company and JM both confirmed yesterday that the consent of third parties is required before JM can pass across all the information required by the prospective bidder to evaluate the position and enter into "meaningful discussions."

These consents have not been received, as yet, which means that the search for what BP called "further important data" has only just begun. BP cannot, therefore, expect to make its decision before the meeting by which time Charter's stake in JM will have risen to at least 33½ per cent.

Alexander Nicoll considers the future of East Lancs in the light of recent bids

Lining up for a £5.2m paper chase

East Lancs' share price fell 6p to 103p yesterday after Tuesday's 15p jump on news of an approach from a new suitor, who remains unidentified. BSI shares rose 4p to 81p, valuing its six-for-five share offer at 97p against the cash alternative of 96p. East Lancs said it was conscious of the need for a speedy resolution of its talks with the new party. The party is not Mr Ian Wassermann's G. M. Firth, which has 12.75 per cent. BSI has 24.8 per cent plus 8.6 per cent acceptances of its initial offer.

A HOSTILE takeover bid — increased twice in quick succession— the steady build-up of a stake by another possible suitor, and the late entrance of yet a third are rare experiences for British companies struggling to make money out of producing and selling paper.

Yet this is the fate—so far, with no clear outcome—of East Lancashire Paper Group, a 124-year-old company which in recent years has not escaped the vagaries of the notoriously difficult paper market.

Fluctuations in demand for paper products, prices of raw materials and exchange rates have contributed to a poor profit record in the past five years. Despite increases in East Lanc's productivity, sales and market share, rapid inroads made by Scandinavian and continental competitors in the UK market have put additional pressure on profit margins.

The pressure became intense this year, with a 25 per cent increase in woodpulp prices—exacerbated by the pound's fall against the dollar, in which pulp is priced. The company plunged into a first half loss and omitted its interim dividend.

Hardly, one might think, the most obvious candidate for a takeover. But East Lancs fits the criteria set by Mr Bryan Morrall for the expansion of British Syphon Industries: it is in manufacturing (thought it also has a substantial merchanting arm), it has a brand name (Fyne Papers), and it has a market share big enough to give it clout (8 per cent of the total UK market for printing and writing paper, and 14 per cent of the paper made by British mills for UK use).

Mr Morrall, 50, was until last year chief executive of James Halstead, a flooring group whose premises overlook the East Lancs mill in Radcliffe, near Manchester. This year BSI bid for Halstead, and was faced by blanket opposition from the Halstead family which dominates the shareholders' roll. Mr Morrall now admits that the unsuccessful move was made too soon.

But he still has ambitious plans for BSI, a holding company whose main subsidiary, Coldflow, makes refrigerating and measuring equipment used in drinks dispensing.

Fashion is not important. "Everybody asked how we got excited about flooring. But most of the products were making a 20 per cent margin pre-tax," Mr Morrall says.

The secret, he believes, is management. "If a company is making losses, it's quite likely that it's a management problem."

His method is to install a sparse top management structure, to examine a company's product range with a view to adding new products or eliminating those not needed, and to look closely at pricing structure.

Market share is essential, giving a BSI subsidiary influence in setting prices and thus helping to ensure profitable margins. But it should also be small enough to enable room for growth.

Mr Morrall has sold a number of smaller subsidiaries and properties of BSI, but insists that he is not interested in "selling everything off" at East Lancs.

"We are hard workers. We are serious about what we are doing," he says. BSI has returned to profit since he moved there with Mr Christopher Shaw, his managing director at both Halstead and BSI.

Mr Morrall believes the East Lancs product range can be expanded, but is also confident that installation of new managers will enable it to make a respectable profit even without adding to the range.

Could he do a better job than the existing management? East Lancs is chaired by Mr Brian Cox, formerly of Barclays Merchant Bank, and its managing director is Mr John Seddon, a 48-year-old who is the fourth in a direct line of Seddons who have run the company. The family shareholding, however, has always been small.

Simply surviving the past decade as a paper manufacturer has not been easy. Mr Seddon attributes it to:

- High capacity utilisation, thanks to a strong customer base, including Her Majesty's Stationery Office and—until last year—Xerox. HMSO remains an important customer, and a significant part of the company's output is supplied to its own merchanting subsidiary. Paper is made only to order.
- A flexible shift system, allowing for extra weekends to be worked very profitably.
- Substantial increases in productivity, achieved through up-grading of machines, addition of new technology and pruning of the workforce.

East Lancs' output has more than kept pace with the growth of the UK market. Mr Dennis Holt, finance director, says its overall UK market share for printings and writings has risen from 7 to 8 per cent in the past eight years, and the company's share of UK supplies to the British market has gained from 9 per cent to 14 per cent. *The share of imports has risen from 24 to 43 per cent.*

The problem, even when the order book full, is earning a sufficient margin. To this end, East Lancs plans to close down three of its five white (printing and writing) paper production lines, and to introduce a five shift system (instead of three) on the remaining white lines and the two existing brown paper lines.

The rationalisation will enable East Lancs to get the most out of its widest and most advanced white paper machines, and to concentrate on products with the highest added value.

Even without the reorganisation, East Lancs says it has returned to profitability and is forecasting a sharp rise in profits for the first half of next year. The reorganisation, it says, will improve margins by £1.4m in a year—but it will also reduce white paper capacity.

If East Lancs management has made progress, it has also made mistakes, most notably a disastrous venture into greetings cards which was terminated in 1980. But now it is confident that the formula for success has been reached.

With BSI holdings 24.8 per cent, G. M. Firth holding 12.75 per cent and a third suitor now in talks, East Lancs' chances of keeping the company independent look limited. But at the current share price, BSI looks unlikely to succeed without yet another increase in its offer.

BIDS AND DEALS IN BRIEF

Of the rights issue by **Plantation and General Investments** to ordinary holders and stockholders, £3,012,641 9 per cent convertable unsecured loan stock 1999 at par, £2,590,525 (85.99 per cent) had been taken up by November 22. The balance has been sold in the market at a premium and net proceeds, amounting to £4,409.35 will be distributed pro rata among provisional not taken up.

* * *

Western Motor Holdings has announced a programme to reduce bank borrowings and restore profitability.

The first phase of the programme outlined above, relating to Cheltenham, Penzance and Launceston, will be effected during the next three months. It will raise £500,000 through property sales and £450,000 in reduction in working capital. Group borrowings will be reduced by just under £1m. The second phase of the programme, the disposal of additional surplus property, should reduce group borrowings by a further considerable extent.

* * *

Acceptances have been received from holders of 29.29m **M. P. Kent** ordinary (88.3 per cent). **C. H. Beazer** was beneficially interested in 450,000 before the start of the offer period and has acquired a further 5.32m since. Beazer is interested in 35.06m Kent ordinary (81.7 per cent).

Share elections for the offer, which has been declared unconditional remains open.

* * *

The Standard Life unit trust, pension funds and investment funds have purchased 395,000 **Dixons Group** ordinary, bringing the total held to 3,310,761 (5.31 per cent).

* * *

Sir Joseph Causton & Sons has concluded an agreement with the **Hoffman Spiro Group** to dispose of the goodwill and certain assets of its subsidiary **Tartan Textiles**, which has been trading at a considerable loss.

The agreement is for Hoffman Spiro to acquire Tartan Textiles' goodwill and stocks, to enter into a sub-underlease in respect of its warehouse in Tottenham and to acquire fixed assets relating to the warehouse.

The total consideration is £353,175, of which £203,000 has been paid on completion, and the balance will be paid by December 21 1984. The aggregate value of assets disposed of is £364,282 and the loss arising, together with redundancy payments and other closure costs will be treated as an extraordinary item at the financial year end.

* * *

Acceptances of **Kean and Scott Holdings'** offer for **Moben** have been received in respect of 38.65m ordinary shares. These, together with the 6m ordinary owned by K and S before the offer period, and the 8.38m acquired from the directors of Moben and their families, amounts to 95.7 per cent of the issued share capital of Moben.

Acceptances have been received from 2,562 holders of ordinary shares in Moben (78.07 per cent). K and S will acquire the outstanding shares compulsorily in due course.

Following K and S's offer for Moben, **Hawley Group** is interested in 74.55m ordinary shares in K and S (67.8 per cent).

* * *

A wholly-owned subsidiary of **Dominion International Group** has purchased 250,000 ordinary shares in **Asset Special Situations Trust** and now holds 1.74m (17.4 per cent).

* * *

Atlanta Investment Trust and its financial advisers consider that the offers from **Grovebell** are totally unattractive and will be writing shortly with detailed reasons why shareholders should reject the offers.

Shareholders are strongly advised to take no action with regard to their holdings.

* * *

The proposed acquisition of **Anglo Scottish Investment Trust** by **Japan Assets Trust** is not to be referred to the Monopolies and Mergers Commission.

* * *

The Manny Davidson Discretionary Trust has purchased 39,000 ordinary shares of **The Lilleshall Company**, and now holds 173,500 (7.9 per cent).

* * *

Usborne and Son (London) have increased their shareholding in **Feedex Agricultural Industries** to 3.22m ordinary shares (23.26 per cent).

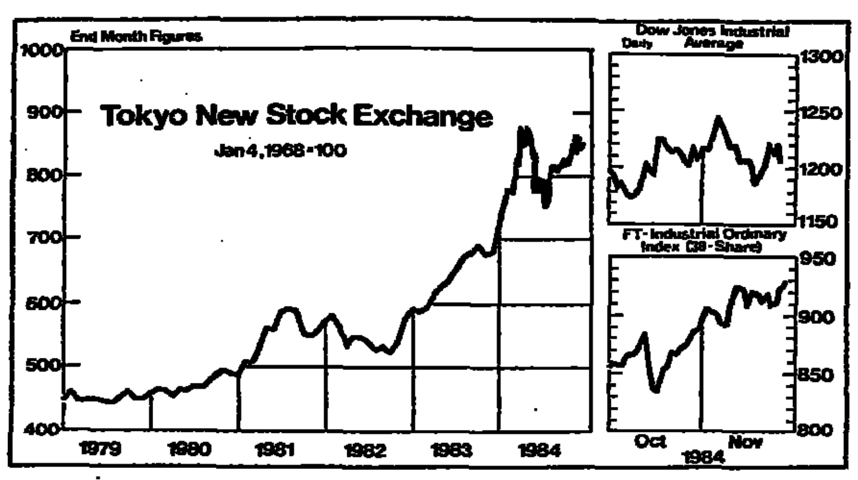
* * *

Mr E. W. Stearn has purchased 290,000 ordinary (5.84 per cent) shares in **Delmar Group**.

FINANCIAL TIMES
Thursday November 29 1984

Swedish agency makes Euroyen debut, Page 42

KEY MARKET MONITORS



STOCK MARKET INDICES

NEW YORK	Nov 28	Previous	Year ago
DJ Industrials	1,205.39	1,220.19	1,269.82
DJ Transport	528.90	536.20	603.79
DJ Utilities	145.00	145.00	136.80
S&P Composite	165.01	166.29	166.54
LONDON			
FT Ind Ord	929.2	925.3	746.1
FT-SE 100	1,187.5	1,178.0	990.2
FT-A All-share	562.57	558.62	461.87
FT-A 500	613.59	608.14	496.47
FT Gold mines	550.9	559.8	570.1
FT-A Long gilt	10.13	10.13	10.19
TOKYO			
Nikkei-Dow	11,248.08	11,184.12	9,294.71
Tokyo SE	852.93	846.18	687.15
AUSTRALIA			
All Ord.	751.2	752.5	743.6
Metals & Mins.	441.0	443.7	548.5
AUSTRIA			
Credit Aktien	58.52	58.52	53.97
BELGIUM			
Belgian SE	158.23	158.21	127.21
CANADA			
Toronto			
Metals & Minls	1,924.7*	1,947.5	2,472.0
Composite	2,392.4*	2,397.8	2,507.4
Montreal			
Portfolio	118.92*	118.98	123.49
DENMARK			
Copenhagen SE	n/a	168.98	196.07
FRANCE			
CAC Gen	181.5	181.2	150.7
Ind. Tendance	121.3	120.8	96.2
WEST GERMANY			
FAZ-Aktien	373.23	371.29	345.61
Commerzbank	1,091.6	1,086.1	1,025.6
HONG KONG			
Hang Seng	1,118.63	1,112.73	841.43
ITALY			
Banca Comm.	217.17	216.47	192.33
NETHERLANDS			
ANP-CBS Gen	179.4	177.8	144.3
ANP-CBS Ind	140.8	140.0	113.9
NORWAY			
Oslo SE	275.79	271.62	203.89
SINGAPORE			
Straits Times	832.68	837.85	916.78
SOUTH AFRICA			
Golds	1,044.2	1,062.0	757.6
Industrials	977.0	979.8	892.0
SPAIN			
Madrid SE	144.17	143.92	124.73
SWEDEN			
J & P	1,364.89	1,333.66	1,477.67
SWITZERLAND			
Swiss Bank Ind	376.3	375.8	359.1
WORLD	Nov 27	Prev	Year ago
Capital Int'l	184.6	183.9	181.4

GOLD (per ounce)

	Nov 28	Prev
London	$328.00	$333.75
Frankfurt	n/a	$333.25
Zürich	$328.20	$333.25
Paris (fixing)	$329.44	$332.60
Luxembourg (fixing)	$328.45	$335.20
New York (Dec)	$330.80	$327.40

* Latest available figure

CURRENCIES

	U.S. DOLLAR		STERLING	
(London)	Nov 28	Previous	Nov 28	Previous
$	–	–	1.2055	1.2085
DM	3.07	3.056	3.7	3.6825
Yen	245.4	245.4	295.75	296.5
FFr	9.4	9.355	11.3675	11.3
SwFr	2.52	2.523	3.04	3.0475
Guilder	3.46	3.443	4.19	4.1625
Lira	1,900.0	1,888.0	2,300.0	2,286.0
BFr	61.65	61.45	74.75	74.35
CS	1.324	1.32075	1.591	1.597

INTEREST RATES

Euro-currencies (3-month offered rate)	Nov 28	Prev
£	9¹³⁄₁₆	9⅞
SwFr	5⅛	5⅛
DM	5¹¹⁄₁₆	5¹¹⁄₁₆
FFr	11	11³⁄₁₆
FT London Interbank fixing (offered rate)		
3-month U.S.$	9¼	9⁵⁄₁₆
6-month U.S.$	9⅜	9⅜
U.S. Fed Funds	8¾*	8¹³⁄₁₆
U.S. 3-month CDs	8.80*	8.9
U.S. 3-month T-bills	8.36	8.39

U.S BONDS

Treasury	Nov 28* Price	Nov 28* Yield	Prev Price	Prev Yield
10⅜ 1986	100⁷⁄₃₂	10.34	100⁹⁄₃₂	10.31
12¼ 1991	104²⁹⁄₃₂	11.26	105⁴⁄₃₂	11.16
11⅝ 1994	101²⁰⁄₃₂	11.35	102⁷⁄₃₂	11.27
11¾ 2014	103⁹⁄₃₂	11.38	103²⁹⁄₃₂	11.32
Corporate	Nov 28* Price	Nov 28* Yield	Prev Price	Prev Yield
AT & T				
10⅜ June 1990	96½	12.25	96½	12.25
3⅞ July 1990	73⅞	10.15	73⅞	10.15
8¾ May 2000	77½	12.00	77½	12.00
Xerox				
10⅜ March 1993	94⅛	11.75	94⅛	11.75
Diamond Shamrock				
10⅜ May 1993	93⅞	11.80	93⅞	11.80
Federated Dept Stores				
10⅜ May 2013	90	11.85	90	11.85
Abbot Lab				
11.80 Feb 2013	97⅛	12.15	97⅛	12.15
Alcoa				
12¼ Dec 2012	99¼	12.35	99¼	12.35

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
Dec	73–02	73–12	72–29	73–07
U.S. Treasury Bills (IMM) $1m points of 100%				
Dec	91.67	91.73	91.65	91.66
Certificates of Deposit (IMM) $1m points of 100%				
Dec	91.05	91.06	91.03	90.98
LONDON				
Three-month Eurodollar $1m points of 100%				
Dec	90.65	90.68	90.62	90.62
20-year Notional Gilt £50,000 32nds of 100%				
Dec	109–07	109–15	109–05	109–12

COMMODITIES

(London)	Nov. 28	Prev
Silver (spot fixing)	595.25p	610.50p
Copper (cash)	£1,096.00	£1,139.50
Coffee (Nov)	£2,289.50	£2,300.00
Oil (spot Arabian Light)	$27.575	$27.45

WALL STREET

Tax plans overshadow rate easing

THE U.S. Treasury's proposals for reshaping the national tax structure again overshadowed Wall Street financial *markets yesterday, offsetting the effects* of a further easing in short-term interest rates, *writes Terry Byland in New York.*

The expectation of lower rates seemed to be vindicated as more banks cut primes to 11¼ per cent, the lower end of the spread opened up by Chase Manhattan, and by a federal funds rate solidly under 9 per cent. In the bond market, however, prices fell sharply at midsession, taking stocks down in their wake. Both sectors awaited with some nervousness the announcement today of the Commerce Department's index of leading economic indicators.

At the close 3pm the Dow Jones industrial average was down 14.80 at 1,205.39. A year ago today the Down reached its highest ever a 1,287.20.

Stock market analysts are critical of the changes proposed on corporate taxation which, according to some, could adversely affect the older smokestack industries. Wall Street believes, however, the plan faces lengthy debate in Congress and is unlikely to become law in its present form.

Rates on certificates of deposit fell 5 to 15 basis points as it became clear the banks would be unable to sustain prime rates at 11½ per cent, the rate set by Citicorp which led the present round of prime cuts.

Federal funds traded at 8¾ per cent in the first half of the session, strengthening the conviction that the Fed would relax credit policy again to fend off the slowdown in the U.S. economy. The Fed's only action yesterday, however, was to purchase $350m in Treasury bills on customer account.'

Stock prices opened sluggishly and began to slide away. Motor stocks eased despite strong sales in early November, and retail issues turned lower after reports from Macy's, the New York department store, of a slow start to the Christmas season.

Turnover remained brisk, and an increase in block trades indicated the presence of the major institutions.

A warning on second-half profits from General Instrument brought a weakening in semiconductor issues. Motorola at $32 gave up $⅝ and National Semiconductor fell a similar amount to $11⅝. General Instrument extended Tuesday's fall by $¾ to $17¼.

IBM shed $½ of its overnight gain to stand at $124¼. Late on Tuesday, IBM reported strong sales of its Peanut personal computer.

Ford fell $1⅛ to $46 and General Motors shed $1 to $76⅞. Both stocks were reacting after sharp rises on the previous evening as the market heard the details of the early-November sales statistics.

There was renewed selling of International Harvester, *pushing it down $½ to* $8⅝ as Wall Street assessed earning prospects following the sale of its farming equipment divisions to Tenneco.

In a dull oil sector Phillips Petroleum stood out, with bid speculators driving it $⅝ up to $42⅞ after touching $43⅜ in hefty turnover.

Among steel issues only U.S. Steel, $¼ up at $25⅞, could resist the downward trend. Inland Steel at $21¼ lost $⅝ and Armod at $9⅞ shed $¼.

J. C. Penny, one of the weak spots of the retail sector, fell a further $1⅛ to $50⅛ and Sears shed $½ to $31⅞. Even K mark, the discount store which has stood high in market rating, lost $¼ to $35¼

The bond market fell ½ point at midsession in a general lack of retail demand. Losses were concentrated at the longer end of the range, with the near dates no more than a shade lower.

Treasury bill rates mostly shed a few basis points, although the 12-month bill added two basis points at 8.73 per cent in response to the Tuesday's auction of $8.5bn in bills.

LONDON

Record as Telecom calls tune

THE BRITISH TELECOM flotation continued to buoy London equity markets yesterday, but turnover was held back by the large sums of cash tied up in the issue.

The FT Industrial Ordinary share index hit another all-time record, closing 3.9 up at 929.2.

Sellers of either shares or gilt-edged stock were conspicuously absent. Trade was particularly thin in conventional government securities, which eventually settled a touch easier on the session. Index-linked stocks found sporadic demand, and many issues improved ⅛.

Chief price changes, Page 34; Details, Page 35; Share information service, Pages 36–37

HONG KONG

A RESTRAINED mood prevailed during Hong Kong's half-day midweek session, with investors awaiting the outcome of the auction of a prime Kowloon site later in the day.

In the event, a Sino-Japanese consor*tium bought the site for* HK$190m – sharply higher than the HK$120m to HK$140m expected. This has fuelled expectations of a sharp rally in the stock market today after yesterday's 5.90 rise in the Hang Seng index to 1,118.63.

Among property shares, Hongkong Land eased 3 cents to HK$3.67, but Cheung Kong rose 5 cents to HK$9.05. Elsewhere, Jardine Matheson eased a further 5 cents to HK$8.60.

SINGAPORE

EARLY GAINS were pared by profit-taking in Singapore, bringing a pause to the strong advance seen in recent sessions. The Straits Times industrial index gained just 0.83 to 832.68, but turnover held up at 11.01m shares, after Tuesday's 11.4m.

Actively traded issues included Sime Darby, unchanged at S$1.89, Federal Cables, 16 cents ahead at S$1.65, and Pahang, 1 cent lower at S$1.11.

AUSTRALIA

UNCERTAINTY following the sharp decline in world gold prices and nervousness over world oil prices left Sydney easier, although the declines slowed *from the sharp pace seen earlier in the* week.

Oil and gas issues led the fall, and gold miners were again hard hit. Kalgoorlie shed 50 cents to A$6.10.

CANADA

A MIXED tone emerged in busy Toronto trading, with a sharp decline recorded by base metals and minerals but a firm*er trend seen in the golds sector.*

Montreal was similarly mixed, with declines among industrials and utilities while banks maintained their upward momentum.

EUROPE

Amsterdam favoured by foreigners

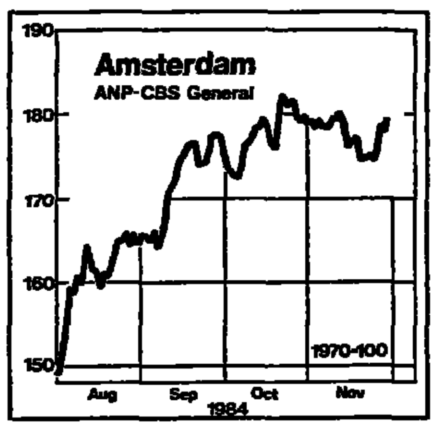
THE BEST of yesterday's gains on an otherwise wary day for the European bourses went to **Amsterdam**, where the pace of activity also kept up better than *most.*

Foreign demand was in evidence, particularly from the U.S., and the strong dollar favoured international issues. Unilever jumped Fl 5 to Fl 306.50, while the overall strength was reflected in an 1.6 gain in the ANP-CBS general index to 179.4.

Another to gain Fl 5 was ABN at Fl 345, although other banks trailed behind. Nedlloyd put on Fl 3 to Fl 162 and *Heineken Fl 2.20 to Fl 144.50. Amev*, ahead of results due today, added Fl 1.30 to the year's high of Fl 199, giving a rise on the week so far of Fl 6.20.

Boskalis, by contrast, slid Fl 1.90 to Fl 13.20 amid its difficulties on bond repayments. The domestic bond market itself held steady with a firmer bias as the latest state issue began trading, settling 0.2 below its 100.1 issue price.

A strong session was also experienced in **Stockholm**, where an advance for the fourth successive day buoyed hopes that the market might finally be shaking off the lethargy into which it has sunk since last winter.



Gains of SKr 10 apiece were accorded to Esselte at SKr 275, Saab Scania at *SKr 460 and Volvo on SKr 220. Activity,* described as lively although slightly below Tuesday's level, centred on blue chips and particularly Electrolux, which picked up SKr 6 to SKr 231.

A firm **Frankfurt** start gave way somewhat as volume fell off, with hopes all but dashed of a cut in official interest rates when the Bundesbank council meets today.

Healthy data on West German trade failed to provide much inspiration, and the midsession calculation of the Commerzbank index – 5.5 higher at 1,091.6 – did not reflect the dull finish.

Car makers relinquished early gains, with the exception of *VW which* added DM 4.20 to DM 199.50 in response to its third-quarter turnround. Even this was below the best, though – the stock had breached DM 200 during the day.

A possible depressant was a set of federal statistics showing a widening share for foreign imports in the German car market.

Linde led engineerings with a DM 7.50 rise to DM 369.50 amid good demand reported for its Eurobond offering warrants at DM 362. But Deutsche Babcock shed DM 1.50 to DM 151 as its chairman forecast a slightly improved year's result.

Bonds gained up to 30 basis points, allowing the Bundesbank to sell DM 46.8m in paper.

Firmness in **Paris** was aided by a FFr 11 jump in Peugeot at FFr 225, attributed to a favourable analyst's report. **Zurich** also edged upward – Nestlé was a focus of activity after detailing its outlook for the year, but it firmed just SwFr 10 to SwFr 5,290.

Pirelli Co again featured in an otherwise cautious **Milan**, gaining L105 to L3,360 for a two-day rise of L200. Gevaert outshone a narrowly mixed **Brussels** with a BFr 100 advance to BFr 3,600, partly offsetting Tuesday's BFr 190 retreat.

Utilities led **Madrid** higher.

TOKYO

Volume leap brings good gains

AN ACTIVE trading session was seen in Tokyo yesterday, with brokers and individual investors participating in the first transactions for delivery in December, *writes Shigeo Nishiwaki of Jiji Press.*

The Nikkei-Dow market average added 63.96 to 11,248.08 on volume totalling 681.26m shares, the second highest for this year, compared with Tuesday's 365.06m. Gains outstripped losses 430 to 298, with 164 issues unchanged.

The brighter mood saw demand shift from incentive-backed issues to selected blue chips, with a spotlight on optical communications stocks. These high-technology issues were actively traded by leading brokerage houses, along with non-life insurance companies and stocks with off-the-book assets.

The firm tone at the outset encouraged private investors to step up trading. One leading securities house said investors were showing confidence amid strong year-end market undertone.

Sumitomo Light Metal, recently gaining popularity on increasing demand for aluminium magnetic disks, added Y14 to Y408 on the day's highest volume of 31.09m shares.

Among stocks with off-the-book assets, Nippon Express attracted heavy trading of 15.38m shares but gained only a moderate Y3 to Y348. Mitsubishi Warehouse jumped Y18 to Y350 and Iino Kaiun Y25 to Y312.

Persistent purchases by non-residents and comparatively low prices directed investors' attention to non-life insurances. A total of 19.38m Sumitomo Marine and Fire shares changed hands, placing the stock third on the active *stock list and boosting the price* Y49 to Y624. Nisshi Fire and Marine also shot up Y27 to Y352, and Tokio Marine and Fire Y21 to Y208.

Among optical communications issues, Nippon Sheet Glass continued to draw buy orders, adding Y21 to Y743. Sumitomo Electric and Shimadzu advanced Y27 to Y985, respectively.

A cautious mood grew on the bond market in the wake of Tuesday's sharp rise. Prices opened lower but rebounded after a leading trust bank purchased government bonds worth Y50bn due in about nine years.

The yield on the 7.3 per cent govern*ment bond due in December 1993* dropped to 6.645 per cent.

SOUTH AFRICA

SHARP LOSSES were recorded among gold shares in Johannesburg in line with lower bullion prices, although selling was largely confined to lower priced issues.

Randfontein fell R2.25 to R181.50, while Zandpan dipped 95 cents to R18.25. Mining financials eased in sympathy, with Anglo American down 30 cents at R24.70.

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
23½	13¼	AAR	.48	2.3	18	132	21⅛	20⅞	20⅞	-⅛
30½	9½	AGS			8	89	11	10⅞	10⅞	-⅛
22	13½	AMCA	1	6.8		5	15¼	14⅞	14⅞	-¼
17⅞	13⅞	AMF	.50	3.4	82	566	15⅛	14⅝	14⅝	-¼
41⅞	24⅛	AMR			5	6473	32⅞	32⅛	32⅛	-1⅛
20⅞	18¼	AMR	pf2.18	11		10	19⅝	19½	19½	
41½	27½	AMR	pf2.13	6.3		631	34⅜	33½	33½	-1
25⅛	22⅞	ANR	pf2.67	12		8	23⅞	23½	23⅝	+⅛
16⅛	8½	APL			3	31	11	10⅞	10⅞	-⅛
71⅛	40⅞	ARA	2.10	3.0	14	589	71⅛	71	71⅛	
68⅝	44⅞	ASA	3a	5.4		678	56	55½	55⅝	-⅛
30⅞	16½	AVX	.32	1.8	11	98	18⅜	18⅛	18⅛	-⅛
48⅛	36⅛	AbtLab	1.20	2.9	13	1981	42⅛	41½	41⅞	-⅜
23⅞	16½	AccoWd	s.44	2.0	16	53	21⅛	21½	21½	-⅛
27⅛	12½	AcmeC	.40	2.8		20	14⅜	14⅛	14⅜	
12⅞	8⅞	AcmeE	.32b	3.5	13	4	9⅛	9⅛	9⅛	-⅛
18⅜	15	AdaEx	2.11e	13		122	16½	16⅛	16⅛	-⅛
18⅝	11⅞	AdmMI	.32	2.2	7	33	14⅝	14½	14½	-⅛
22	12½	AdvSys	.81r	6.3	12	75	13⅝	12⅞	12⅞	-⅝
41⅛	25⅛	AMD			12	4911	27⅞	27	27	-1⅛
14⅛	7⅞	Advest	.12	1.5		121	8	7⅞	7⅞	+⅛
16⅛	8⅝	Aeflex			11	26	11⅞	11½	11⅛	
38	27⅛	AetnLf	2.64	7.4	30	2659	36	35⅝	35⅝	-⅛
58⅛	52⅞	AetL	pf5.78e	10		159	55⅝	55⅛	55⅛	-½
34½	15⅛	Ahmans	1.20	4.8	11	410	25⅛	25	25	
5½	2⅞	Aileen				176	3⅛	3⅛	3⅛	
48⅛	36½	AirPrd	1.20	2.6	10	1545	45⅝	45⅛	45⅛	
30⅛	13	AirbFrt	.60	3.1	11	15	19½	19⅜	19½	
4⅞	1⅞	AlaMoa	3e	75		734	4⅛	4	4	
27⅛	21	AlaP	pf2.97e	12		z110	24½	24⅛	24⅛	-⅛
31	26½	AlaP	pfA3.32	13		x7	30⅞	30⅛	30⅛	+⅛
7⅛	6	AlaP	dpf.87	12		x41	7	6⅞	7	
71	61½	AlaP	pf9	14		y870	67	66½	66½	-⅛
101	85⅛	AlaP	pf11	11		y20	97⅛	97⅛	97⅛	-1
74	63½	AlaP	pf9.44	13		y30	70½	70½	70½	-⅞
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

Continued on Page 33

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
7¼	3⅝	ADI	n		20	96	5¾	5⅝	5⅝	-¼
3¼	2½	ADI	wt			34	2¾	2½	2½	
15¼	8¼	ALLab	n .20	2.1	9	15	9⅝	9¼	9¼	-⅛
13¾	12	AMC	n .12	.9	10	18	12⅜	12⅛	12⅛	-¼
3¼	2⅜	AM	Ind			859	2⅜	2¼	2⅜	
2⅛	⅞	ATI				10	13-16	13-16	13-16	
71¼	68	ATTFd	n5.52a	7.8		106	71	70½	70½	-⅛
16⅞	9⅜	Action			35	70	14⅛	14	14⅛	+⅛
9¼	4⅞	Acton				81	5	4¾	4⅞	+⅛
3⅞	5-16	Actn	wt			7	9-16	½	½	+1-16
3⅝	1⅞	AdmRs			3	28	2⅛	2	2	
26½	15⅞	AdRusl	s.14	.6	19	29	24¾	24½	24½	
24¼	15	Adobe	.24	1.5	11	49	16⅝	16½	16½	
8⅞	4½	Aeronc			7	99	7	6⅞	6⅞	
25¼	16⅝	AhHsp	.44	2.5	7	45	17⅞	16⅞	17⅛	+⅛
50⅞	38⅛	AfilPub	.80	1.8	14	70	45¼	45¼	45¼	
9⅜	8	AirExp			10	23	7¾	7½	7¾	-⅛
5¼	2⅛	Alamco			6	148	3	2⅞	2⅞	-⅛
14	6⅜	AlbaW	.15j		7	40	6⅞	6½	6⅞	+⅛
9⅜	6½	Alona	.48r	6.6	2	10	7⅛	7¼	7¼	+⅛
22¼	10⅛	Alphain	.05	.5	13	776	10½	d10⅛	10⅛	-⅜
1¾	½	Altex				120	13-16	¾	¾	
⅞	⅛	Altex	wt			47	⅛	⅛	⅛	
34⅛	28⅝	Alcoa	pf3.75	11.		z800	34	32⅞	32⅞	-¼
22	11	AlzaCp			51	205	20⅛	19⅜	19⅜	-⅞
20¼	9½	Amdahl	.20	1.8	14	445	11½	11¼	11¼	-⅛
17	6½	Amedco	.08	1.0		72	7¾	7½	7¾	+⅛
7	4¼	AmBilt	.15	2.1	5	19	u7¼	7	7⅛	+⅛
9⅝	3	AmCap				22	4⅝	4¼	4¼	-⅛
27	12¼	AExp	wt			125	24	23⅛	23⅜	-⅞
7⅞	5⅜	AFruc	A			z100	7¼	7¼	7¼	+⅛
7½	5⅜	AFruc	B			z400	7⅛	7	7⅛	+⅛
12¼	7⅜	AHltNM			7	29	8⅛	8	8⅛	
7⅞	4	Alsrael			3	12	6	5⅞	5⅞	-⅛
19⅞	12⅝	AMzeA	.52	3.3	6	39	15⅞	15⅞	15⅞	+⅛

[illegible]

Continued on Page 34

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 32

[illegible]

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
36¼	19	XTRA		2.8	8	153	23	22½	22¼	-⅛
33⅝	24	ZaleCp	1.32	4.8	9	22	28⅛	27¼	27¼	-¼
24⅝	15½	Zapata	.84	5.1	13	323	16⅝	16⅛	16½	+⅛
49	28⅛	Zayre	.40b	.9	12	781	45⅛	44⅝	44⅝	-⅝
38⅜	20	ZenithE			8	579	23⅛	22⅞	22⅞	-⅛
27⅞	18	Zero	.40	1.8	16	10	21⅝	21½	21⅝	
34	21½	Zurnin	1.32	5.0	11	351	27	26⅜	26⅝	-⅛

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

AUSTRIA

Nov. 28	Price Sch%	+ or —
Creditanstalt	227	......
Goesser	330	......
Interunfall	391	......
Laenderbank	228	-3
Perlmooser	362	+2
Steyr-Daimler	159	......
Veitscher Mag.	243	......

BELGIUM/LUXEMBOURG

Nov. 28	Price Frs.	+ or —
B.B.L.	1,830	-10
Banq. Int. A. Lux	5,475	......
Bekaert B.	4,400	......
Ciment CBR	2,530	-5
Cockerill	288	+1
Delhaize	5,790	+50
EBES	2,830	+10
Electrobel	2,590	-60
Fabrique Nat	2,170	-90
GB Inno BM	3,075	......
GBL (Brux)	2,110	-40
Gevaert	3,600	+100
Hoboken	6,090	+30
Intercom	2,200	-15
Kredietbank	7,500	......
Pan Hldgs	9,900	......
Petrofina	7,110	+30
Royale Belge	10,100	......
Soc. Gen. Banq	5,280	-20
Soc. Gen. Belge	1,790	......
Sofina	7,730	-40
Solvay	4,140	+25
Stanwick Intl.	1,430	......
Tractionel	3,870	-10
UCB	4,840	-10
Wagon Lits	2,420	-60

DENMARK

Nov. 28	Price Knr %	+ or —
Andelsbanken	268	+1
Baltic Skand	560	......
CopHandelsbank	274	......
D. Sukkerfab	530	......
Danske Bank	272	......
De Danske Luft	1,100	......
East Asiatic	161	-1
Forenede Brygg.	755	+15
Forenede Damp.	99	-2
GNT Hldg	373	......
I.S.S.B.	404	-5
Jyske Bank	505	......
Novo Ind.	1,365	......
Privatbanken	242	......
Provinsbanken	340	......
Smidth (F)	228	......
Sophus Berend	905	......
Superfos	411	-2

FRANCE

Nov. 28	Price Frs.	+ or —
Emprunt 4½% 1973	1,654	-28
Emprunt 7% 1973	8,963	-38
Accor	243	......
Air Liquide	552	-2
BIC	503	+1
Bongrain	1,723	+1
Bouygues	692	+4
BSN Gervais	2,515	+35
CIT-Alcatel	1,340	-5
Carrefour	1,838	-6
Club Mediter'n	1,076	......
Cie Bancaire	583	+2
Cofimeg	241	+6
Damart	2,320	......
Darty	1,147	-23
Dumez S.A.	649	-11
Eaux (Cie Gen)	531	-1
Elf-Aquitane	224	+2.6
Essilor	2,645	-20
Gen. Occidentale	667	-8
Imetal	81	+4
Lafarge Coppee	383	-0.5
L'Oreal	2,440	-10
Legrand	1,982	+61
Maisons Phenix	194.8	+2.8
Matra S.A.	1,675	-1
Michelin B.	775	-3
Midi (Cie)	2,005	-25
Moet-Hennessy	1,845	......
Moulinex	94	-0.3
Nord Est.	69.5	-1.5
Pernod Ricard	745	+1
Perrier	501	+4
Petroles Fra	241.5	......
Peugeot S.A.	225	+11
Printemp.Aus	194	+0.1
Radiotech	230	+5
Redoute	1,235	+5
Roussel-Uclaf	1,615	+5
Sefimeg	283	+1
SkisRossgnol	1,700	......
Telemech Elect.	2,115	+30
Thomson CSF	387.5	+7.5
Valeo	241.1	-0.4

GERMANY

Nov. 28	Price Dm.	+ or —
AEG-Telef.	104.5	-1.2
Allianz Vers.	1,030	
BASF	174	+1
Bayer	184.9	-1.4
Bayer-Hypo	323.5	+2.5
Bayer-Verein	329	-1.5
BHF Bank	280.5	+1.5
BMW	372.8	+0.1
Brown Boveri	204.5	-1.2
Commerzbank	175.8	+1.1
Cont'l. Gummi	117.2	-0.5
Daimler-Benz	566	
Degussa	358	-4
D'sche Babcock	151	-1.5
Deutsche Bank	379.2	
Dresdner Bank	188.5	+7.5
GHH	154.5	-1.5
Hochtief	470	
Hoechst	183	+2
Hoesch Werke	100	-1.5
Holzmann (P)	363	-0.5
Horten	183.5	-0.5
Hussel	288	-2
Karstadt	253	+4.5
Kaufhof	235	-0.2
KHD	249.5	+2.5
Kloeckner	69.5	-1
Linde	369.5	-7.5
Lufthansa	176	-0.2
MAN	148	......
Mannesmann	148.7	-0.3
Mercedes Hld.	495	+2.5
Metallgesell.	218	+3.5
Munech Rueck	1180	-20
Nixdorf	528.5	-1.5
Porsche	1017	-4
Preussag	256	+2
Rhein West Elect	165	-1.7
Rosenthal	251	......
Schering	409	+4
Siemens	455	-2
Thyssen	79.8	-0.3
Varta	179.5	-0.3
Veba	171.1	-0.1
V.E.W.	122.4	-1.6
Verein-West.	295	+1
Volkswagen	199.5	-4.2

ITALY

Nov. 28	Price Lira	+ or —
Banca Com'le	15,800	......
Bastogi-IRBS	123.5	+6.5
Centrale	2,165	-24
Credito Varesino	3,860	+9
Fiat	1,931	-4
Finsider	47	+2
Generali Assicur.	32,190	+370
Invest	2,930	+5
Italcementi	64,000	......
La Rinascenti	500	-3
Montedison	1,241	-10
Olivetti	5,960	-38
Pirelli Co.	3,360	+105
Pirelli Spa	1,791	+24
Snia BPD	2,018	+6
Toro Assic.	12,080	+80
do. Pref	8,989	-119

NETHERLANDS

Nov. 28	Price Fls	+ or —
ACF Holding	189	......
AEGON	135	+1.5
Ahold	182.5	+2.5
AKZO	96.2	+0.1
ABN	345	+5
AMEV	199	+1.3
AMRO	64.2	+0.5
Bredero Cert.	160.5	......
Bos Kalis Westm.	13.2	-1.9
Buehrmann-Tet.	67.6	-0.7
Calland Hldgs.	31.5	+0.3
Dordtsche Pet'm	152.8	+1.6
Elsevier-NDU	117	+1.5
Fokker	73	+0.8
Gist Brocades	162.5	+0.8
Heineken	144.5	+2.2
Hoogovens	64	+1
Int Mueller	35.8	-0.6
KLM	43.7xc	+0.4
Naarden	46	+1
Nat Ned Cert	242	+1.8
Ned Mid Bank.	144.5	......
Nedlloyd	162	+3
Oce Grinten	276.5	+1.5
Ommeren (Van)	28	-0.3
Pakhoed	66.5	+1.7
Philips	54.4	+0.5
Robeco	67.9	+0.4
Rodamco	135.7	+0.2
Rolinco	63.9	+0.5
Rorento	43.1	+0.2
Royal Dutch	170.2	+1.4
Unilever	306.5	+5
VMF Stork	133	-1.6
VNU	197.5	+2
West Utr Bank	118.7	+1.2

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

NORWAY

Nov. 28	Price Kroner	+ or —
Bergens Bank	157	+1
Borregaard	298	-12
Christiania Bank	165.5	+0.5
DenNorske Cred	158	-1
Elkem	118.5	-0.5
Kvaerner	167.5	-7.5
Norsk Data	360	-12.5
Norsk Hydro.	105xa	-5
Storebrand	195	-2

SPAIN

Nov. 28	Price Pta %	+ or —
Bco Bilbao	319	......
Bco Central	329	-1
Bco Exterior	201	-1
Bco Hispano	220	......
Bco Popular	382	-1
Bco Santander	332	-6
Dragados	162.5	+1.5
Hidrola	77.2	+0.7
Iberduero	85.2	+0.7
Petroleos	152.2	+3.2
Telefonica	94.7	+0.2

SWEDEN

Nov. 28	Price Kronor	+ or —
AGA	338	+8
Alfa-Laval	190	+5
ASEA (Free)	355	-5
Astra (Free)	320	+5
Atlas Copco	100	+3
Cardo (Free)	215	-2
Cellulosa	116	+2
Electrolux B	231	+6
Ericsson	278	+1
Esselte	275	+10
Mo Och Domsjo	262	+4
Pharmacia	187	+4
Saab Scania Free	460	+10
Sandvik	345	-3
Skandia	333	+8
Skan Enskl'da	55	+0.5
SKF	162	+2
St Kopparbergs	150	+2
Sven Handlesbn.	187	+4
Swedish Match	250	-1
Volvo B (Free)	220	+10

SWITZERLAND

Nov. 28	Price Frs.	+ or —
Alusuisse	741	......
Bank Leu	3,720	......
Brown Boveri	1,335	......
Ciba Geigy	2,440	......
do. (Part Certs)	1,970	+5
Credit Suisse	2,295	+5
Elektrowatt	2,500	+5
Fischer (Geo.)	602	-3
Hoff-RochePtCts	87,125	-125
Hoff-Roche 1/10	8,700	-50
Jacobs Suchard	6,100	+25
Jelmoli	1,890	-10
Landis & Gyr	1,510	......
Nestle	5,290	+10
Oer-Buehrle	1,310	-10
Pirelli	248	......
Sandoz (Br)	7,000	+50
Sandoz (PtCts)	1,135	+5
Schindler (PtCts)	635	+15
Sika	1,080	......
Surveillance	3,695	+30
Swissair	1,025	+7
Swiss Bank	352	+1
Swiss Reinsce	7,700	+50
Swiss Volksbk	1,460	+10
Union Bank	3,485	+5
Winterthur	3,290	-10
Zurich Ins	17,900	+125

AUSTRALIA

Nov. 28	Price Aust $	+ or —
ANZ Group	5.2	-0.04
Alliance Oil Dev.	1.05	......
Ampol Pet.	1.8	......
Ashton	0.85	+0.03
Aust Cons Ind.	1.81	+0.05
Aust. Guarantee	2.86	+0.01
Aust. Nat. Inds	2.5	-0.06
Aust. Paper	2.2	+0.02
Bell Group	5.6	......
Bell Res.	4.8	-0.15
Bond Corp Hldgs	1.67	......
Boral	3.14	-0.01
Bougainville	1.75	......
Brambles Inds.	3.35	-0.01
Bridge Oil	2.5	-0.05
B.H. Prop.	10.65	+0.05
CRA	5.06	......
CSR	3.00	+0.02
Carlton Utd.	4.30	......
Castlemaine Tys.	5.04	......
Coles (G.J.)	4.02	-0.02
Comalco "A"	2.35	......
Consolidated Pet	0.6	+0.01
Costain Aust	1.4	......
Dunlop Aust.	1.87	+0.01
Elders IXL	3.35xc	......
Energ Res.	1.45	-0.01

AUSTRALIA (continued)

Nov. 28	Price Aust. $	+ or —
Gen Prop Trust	2.3	-0.02
Hardie (James)	3.15	-0.05
Hartogen Energy	2.5	-0.05
Herald W'yTimes	3.45	......
ICI Aust.	2.06	-0.01
Jimberlana F.P.	0.43	-0.01
Kia Ora Gold	0.13	-0.01
Land Lease	6.6	-0.24
MIM	2.55	-0.02
Mayne Nickless	3.33	-0.05
Myer Emporium	1.62	-0.05
Nat. Aust. Bank	3.44xd	......
News	9.4	......
Nicholas Kiwi	5.1	......
North Bkn Hill	2.18	......
Oakbridge	0.66	-0.01
Pancont'l	1.16	-0.02
Pioneer Conc.	1.66	-0.01
Poseidon	3.4	-0.1
Queensland Coal	1.14	-0.02
Reckitt & Coln.	3.1	-0.02
Repco	1.19	+0.01
Santos	6.06	-0.08
Smith (Howard)	3.6	-0.05
Thos. Natwide.	1.8	+0.02
Tooth	5.9	+0.1
Vamgas	3.55	-0.25
Western Mining	3.16	-0.01
Westpac Bank	3.91	+0.03
Woodside Petrol.	1.1	-0.07
Woolworths	2.63	-0.02
Wormald Intl.	3.05	

HONG KONG

Nov. 28	Price H.K.$	+ or —
Bank East Asia	22.8	+0.2
Cheung Kong	9.05	+0.05
China Light	12.4xa	......
Evergo	1.51	-0.04
Hang Seng Bank	40.75	+1
HK Electric	6.5	......
HK Kowloon Wh.	4.55	+0.05
HK Land	3.67	-0.03
HK Shanghai Bk.	7.3	+0.05
HK Telephone	48.5	-1.5
Hutchison Wpa.	15.6	......
Jardine Math.	8.6	-0.05
New World Dev.	4.12	+0.02
Orient O'seas	2.8	+0.05
Oseas Trust Bk.	2.55	+0.03
SHK Props	7.3	......
Shell Elect.	1.74	+0.05
Swire Pac A	19.9	+0.1
TV-B	4.95	+0.1
Wheel'k Mard A.	3.75	-0.02
Wheel'k M'time	1.46	......
World Int. Hldgs.	1.41	......

JAPAN

Nov. 28	Price Yen	+ or —
Ajinomoto	1,100	+10
Alps Electric	2,010	......
Amada	1,100	+10
Asahi Chem	568	+2
Asahi Glass	859	+19
Bridgestone	545	-2
Canon	1,560	+10
Casio Comp.	1,620	......
Chugai Pharm.	1,100	-30
Citizen	595	+10
Daiei	635	+5
Dai Nippon Ptg	1,010	......
Daiwa House	600	+40
Ebara	340	-5
Eisai	1,360	-10
Fanuc	11,160	+160
Fuji Bank	1,010	+10
Fuji Film	1,550	+10
Fujisawa	1,020	......
Fujitsu	1,400	+30
Green Cross	1,630	-10
Hasegawa	355	......
Heiwa Real Est.	576	-6
Hitachi	850	-10
Hitachi Credit	1,040	......
Honda	1,230	......
House Food	715	-1
Hoya	2,470	+10
Itoh (C)	287	-1
Ito. Yokado	2,510	-10
Iwatsu	1,450	......
JACCS	320	......
JAL	5,400	+200
Jusco	736	......
Kajima	272	......
Kao Soap	797	-3
Kashiyama	634	+10
Kirin	514	-1
Kokuyo	920	......
Komatsu	416	+8
Konishiroku	674	+3
Kubota	318	-1
Kumagai	439	+7
Kyoto Ceramic	7,310	+80
Maeda Const	471	-1
Makino Milling	1,260	-10
Makita	1,030	+10
Marubeni	297	-2
Marudai	543	-7
Marui	1,040	......
MEI	1,410	+10
M'ta Elec Works	632	+7
M'bishi Bank	1,030	+20
M'bishi	510	-2
M'bishi Elec.	415	-12
M'bishi Estate	525	+23

JAPAN (continued)

Nov. 28	Price Yen	+ or —
MHI	240	-2
Mitsui Co	322	-5
Mitsui Estate	682	-17
Mitsukoshi	347	-2
NGK Insulators	970	-20
Nihon Cement	204	-1
Nippon Denso	1,410	-10
Nippon Elect	1,240	-10
Nippon Express	348	-3
Nippon Gakki	1,590	-100
Nippon Kokan	138	-1
Nippon Oil	839	-1
Nippon Seiko	670	-8
Nippon Shimpan	545	-9
Nippon Steel	148	-1
Nippon Suisan	316	-1
NTV	12,900	-210
Nippon Yusen	247	-1
Nissan Motor	614	-9
Nisshin Flour	535	-11
Nisshin Steel	167	......
Nomura	770	-17
Olympus	1,170	+30
Orient Leasing	3,370	-10
Pioneer	2,400	......
Renown	645	-15
Ricoh	965	-5
Sankyo	893	+10
Sanyo Elect.	459	-6
Sapporo	365	-3
Sekisui Prefab	585	-15
Seven-Eleven	9,290	-10
Sharp	1,050	......
Shimadzu	825	-41
Shionogi	685	-12
Shiseido	1,160	-10
Sony	3,690	-30
Stanley	960	-12
S'tomo Bank	1,250	+60
S'tomo Elect	985	-27
S'tomo Marine	624	-49
S'tomo Metal	147	-1
Taihei Dengyo	490	+4
Taisei Corp	195	-2
Taisho Pharm.	935	-10
Takeda	771	-3
TDK	4,950	-90
Teijin	413	......
Teikoku	665	-3
Tokyo Marine	708	+21
TBS	797	-8
Tokyo Elect Pwr	1,310	......
Tokyo Gas	158	-1
Tokyo Sanyo	708	+6
Tokyo Style	720	......
Tokyu Corp.	300	-2
Toppan Print	901	+1
Toray	410	+1
Toshiba Elect.	422	-7
TOTO	620	-40
Toyo Seikan	849	-10
Toyota Motor	1,210	......
Victor	1,900	-10
Wacoal	740	......
Yamaha	620	......
Yamanouchi	1,850	-40
Yamazaki	710	......
Yasuda Fire	360	+19
Yokogawa Bdge.	433	-7

SINGAPORE

Nov. 28	Price $	+ or —
Boustead Hldgs.	2.0	......
Cold Storage	2.85	+0.02
DBS	6.1xa	......
Genting	5.0	......
Haw Par. Bros.	2.08	+0.01
Hong Leong Fin.	3.06	+0.12
Inchcape Bhd.	2.45	-0.1
Keppel Shipyard	1.75	-0.01
Malay Banking	5.85	......
Malay Utd. Ind	2.4	......
Multi Purpose	0.96	-0.01
OCBC	9.2	......
OUB	4.06	-0.02
Public Bank	1.81	-0.05
Sime Darby	1.89	......
Straits Trdg.	5.0	......
Tat Lee Bk.	2.98	-0.04
UOB	4.46	-0.02

SOUTH AFRICA

Nov. 28	Price Rand	+ or —
Abercom	1.47	......
AE&CI	7.85	......
Anglo Am Coal	40.5	-0.5
Anglo Am Corp	24.7	-0.3
Anglo Am Gold	165	......
Barclays Bank	19.0	+0.1
Barlow Rand	11.35	-0.05
Buffels	79	......
CNA Gallo	2.6	......
Currie Finance	4.5	......
De Beers	8.32	-0.15
Driefontein	52.25	-1.1
FS Geduld	53.0	-1.75
Gold Fields SA	28.5	-0.25
Highveld Steel	4.4	......
Nedbank	13.45	-0.1
OK Bazaars	15.5	-0.5
Protea Hldns	1.8	......
Rembrandt	32.0	......
Rennies	14.25	-0.25
Rust Plat	16.1	-0.1
Sage Hldgs	7.1	-0.06
SA Brews	6.05	-0.1
Smith (CG)	23.0	+0.5
Tongaat Hulett	8.15	-0.1
Unisec	4.9	-0.15

OVER-THE-COUNTER *Nasdaq national market, 2.30pm prices*

[illegible]

LONDON

Chief price changes (in pence unless otherwise indicated)

RISES

Tr 2½ I L 16	£95⅝	+£⅛
Chinese 4½ 1898	£21	+£4
Allied Colloids	212	+9
BAT Inds	310	+10
Beecham	377	+9
Biddle Hldgs	142	+12
BAe	371	+14
BP	492	+9
Cable & Wireless	403	+20
Eurotherm Int'l	285	+20
Exco Int'l	343	+18
Henderson Ad	305	+30
Hillards	298	+18
ICI	682	+10
Metal Box	352	+10
Morrison (Wm)	200	+8
Newbold Burton	100	+10
Saatchi & S.	905	+30
Sainsbury (J)	288	+8
Tesco	238	+7

FALLS

Allied-Lyons	159	-5
BPB Inds	280	-12
J. Matthey	75	-7
MEPC	324	-12
Security Centres	183	-17
Steinberg	81	-11
Charter Cons	197	-8
Grootvlei	782	-87
RTZ	807	-13
Vaal Reefs	£81	-£2

Continued on Page 42

CANADA

TORONTO

Prices at 2.30pm November 28

[illegible]

MONTREAL

Closing prices November 27

[illegible]

AMERICAN STOCK EXCHANGE PRICES

Continued from Page 33

[illegible]

Indices

NEW YORK — DOW JONES

[illegible]

STANDARD AND POORS

[illegible]

LONDON STOCK EXCHANGE

MARKET REPORT

British Telecom euphoria underpins markets and equity index hits new peak

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Nov 12	Nov 22	Nov 23	Dec 3
Nov 26	Dec 6	Dec 7	Dec 17
Dec 10	Dec 20	Dec 21	Jan 7

* "New-time" dealings may take place from 9.30 am two business days earlier.

The **British Telecom** balloon continued to inflate London equity markets, but turnover was held back by the large sums of cash tied up in the issue. The certainty of the issue being *heavily subscribed underpinned* sentiment and only small purchases of selected leading shares were necessary to maintain the market's buoyancy.

A firmer Wall Street trend overnight and the further reductions in short-term U.S. interest rates completed a very optimistic scene. The FT Ordinary share index hit another all-time record *in closing* 3.9 up at 929.2.

Sellers of either Gilt-edged stock or shares were conspicuously absent. Any dealer running a short book had little chance to balance the position, and most were reluctant to lower prices. Sterling considerations aroused arbitrage interest in blue chip industrials currently favoured by U.S. sources, while leading Oils recovered after the recent bout of crude oil price uncertainty.

Sterling's renewed depression against *the dollar — the rate* fell below $1.20 again — gave cause for thought but most traders assumed that leading European currencies were bound to weaken while transatlantic interest date differentials continued to favour the dollar. The latest U.S. leading economic indicators, due to be announced today, are expected to support the dollar's strength.

Trade was particularly thin in conventional Government securities, which eventually settled a touch easier on the session, but index-linked stocks were again the exceptions. On revived sporadic demand, many issues improved ⅛ further.

Recent Press and television coverage *of the possible settlement* of the outstanding Chinese debts triggered renewed interest for Chinese bonds. The 4½ per cent 1898 issue jumped four *points* to a peak for the year of £21, while other bonds rose three points, also to 1984 highs.

Lloyds Brokers rise

The sector's considerable dollar earnings potential attracted renewed demand for Lloyds Brokers. **Stewart Wrightson** featured with a gain of 20 *to 460p, while* **C. E. Heath** advanced 11 to 528p and **Reed Stenhouse** 10 to 820p. Elsewhere, **Commercial Union** benefited from revived takeover speculation and closed 8 to the good at 181p. Other Composites, however, drifted lower. **GRE** softened a few pence to 690p and **Royals** slipped 4 to 548p.

NatWest, which next week becomes a constituent of the FT 30-share Ordinary index, attracted moderate support and touched 585p before closing a net 6 better at 578p. Elsewhere in the banking sector, **Bank of Scotland** put on 8 to 438p. **Clive Discount**, still reflecting takeover hopes, improved to 73p, before drifting back to finish a penny cheaper on balance at 70p. **Smith St Aubyn** moved up 3 to 66p.

A generally unreceptive Press of the interim results prompted renewed selling of **Allied-Lyons** and, although dealers reported a better balanced business at *the lower levels, the close* was still 5 lower at 159p. **Bass**, annual results due next Thursday, touched 448p before settling only 2 up on balance at 445p.

Disappointing interim results lowered **BPB Industries** 12 to 280p, but other leading Building issues traded on a firmer note. **RMC** put on 8 to 414p and **Tarmac** edged up 6 to 518p. **Redland** held at 295p awaiting today's half-year statement. Contracting shares were noteworthy for a rise of 7 to 335p in **Taylor Woodrow**.

Partly reflecting overnight Wall Street influences, **ICI** edged higher to close 10 up at 682p. **Laporte** gained 5 to 370p, while **Allied Colloids** put on 9 to 212p ahead of next week's preliminary figures.

Currys better late

Currys provided a late feature, rising 13 to 540p — some 9 above the unwelcome offer from **Dixons** — following the bullish tenor of the latest circular to shareholders. Dixons rose 9 more to 426p; the offer closes tomorrow.

A number of noteworthy movements occurred elsewhere in stores. **Harris Queensway** rose 8 to 220p, after 222p, following publicity given to a brokers' "buy" recommendation, while fresh support was evident for **J. Hepworth**, 12 up at 445p. Newsagents returned to favour *under the lead of* **W. H. Smith** inquiry and advanced 12 to 168p. In contrast, **Steinberg** were a late casualty, falling 11 to 81p on the reduced interim *profits* and warning on profit margins.

Footwear counters were highlighted by renewed demand for takeover favourite **Newbold and Burton** finally 10 up at 100p.

Cable and Wireless highlighted Electricals, jumping 20 to 403p on the better-than-expected increase in interim profits to a record £109m. **Thorn EMI** rallied 3 to 486p, after 488p, and **BICC** put on 4 to 239p. Elsewhere, **AB Electronics** advanced 24 to 529p ahead of tomorrow's annual meeting and, on reports of a favourable circular. **Eurotherm** rose 20 to 285p and **Microfocus** gained 30 at 960p. **Volex**, still drawing strength from the interim figures, improved 8 afresh to 140p. **Security Centres**, on the other hand, fell 17 more for a two-day *decline* of 47 at 183p on the disappointing half-year figures and sale of its electronic security business to competitor Automated Security. **Standard Telephones and Cables** came on offer at 276p, down 6.

Interest in the Engineers leaders centred on **TI** which reacted to 234p after the *previous day's speculative flurry* before recovering to close unaltered on the session at 238p. Elsewhere, **Laird Group** were favoured and put on 4 to 151p *along with* **Martonair**, *which* rose 5 to 297p. **Cronite Group** hardened a penny to 24½p on the half-year profits recovery, while **Vosper**, reflecting recent comment on nationalisation compensation hopes, rose 7 to 162p.

Retailers continued to feature Foods on hopes of bumper consumer spending over the Christmas period. **Tesco** rose 7 afresh to 236p and **Sainsbury** put on 6 to 288p. **Hillards** jumped 18 to 296p and **Nurdin and Peacock** advanced 10 to 168p. **William Morrison** added 8 to 200p, while **Glass Glover** appreciated 7 to 250p and **Kwik Save** gained 6 to 172p. **Dee Corporation**, which last week acquired the International Stores division from Bats for £180m, improved 4 to 195p. Elsewhere, old takeover *favourite* **Rowntree Mackintosh** attracted a good speculative demand and touched 358p before closing 4 dearer at 354p; the company yesterday announced the closure of its Edinburgh factory with a loss of 700 jobs.

Beecham up afresh

Comment on the interim *figures prompted fresh demand* for **Beecham** which put on 9 further to 377p for a two-day rise of 22. Other leading miscellaneous industrials also made progress helped by the overnight **Glaxo** hardened ⅛ to £10⅞, while **Reed International** gained 12 more to 506p. **Hanson Trust** advanced 6 to 282p, while **Pilkington Bros**, assisted by the opening of its new energy saving glass plant, improved 8 to 318p. **Trafalgar House**, up to 318p at one stage, drifted back to close only a couple of pence better on balance at *312*p. Elsewhere, **British Aerospace** featured a rise of 14 at 371p on news that the company had won a £200m contract to update *Sea Harrier jets for the* Royal Navy. **Ferguson Industrial** encountered buyers and put on 6 to 150p, while demand persisted for **F. H. Tomkins**, 4 to the good at 134p. Newsletter comment directed buyers to **Biddle**, which gained 12 to 142p. Adverse comment prompted weakness in **Johnson Matthey**, down 7 at 75p, after 68p: the company issued a statement yesterday aimed at clarifying the position regarding the discussions with British Petroleum.

Jaguar, the subject of sizeable *traded option business of late*, advanced 4 more to a new peak of 223p. **Group Lotus** also attracted buyers and improved 6 to 78p. Components, however, were mixed. **Lucas Industries** continued its upsurge to close 4 up at 284p, while **Flight Refuelling** added 5 more to 304p. **Jonas Woodhead**, on the other hand, eased 2 more to 35p on disappointment that IEP Securities had reduced its holding to around 9 per cent; Woodhead's interim figures are due tomorrow week. Among Distributors, **Godfrey Davis** encountered fresh bid speculation and touched 112p before closing a net 6 up at 110p; the mid-term figures are expected next month.

Publishers continued to find favour and **Associated Newspapers** rose another 5 to 460p, while **International Thomson** closed 12 up at 489p following the third-quarter profits. **Link House** gained 10 more to 735p—a gain of 150 since the agreed offer from United Newspapers was revealed on Monday; United hardened 5 at 310p. Advertising agencies featured **Saatchi and Saatchi** which advanced 30 to 905p with investors being encouraged by the group's recent acquisitions and consequent expansion potential.

Leading Properties failed to take Tuesday's good gains a stage further. **MEPC** retreated 12 to 324p following profit-taking in the wake of satisfactory annual profits. **Land Securities** closed 7 lower at 304p. Elsewhere, **Mountview Estates** improved 5 to 340p after the interim statement, while **Rosehaugh** responded to news of the increased final dividend and higher earnings with a gain of 5 at 595p.

Dawson *International rose* 4 to 264p awaiting today's interim figures but other Textiles lacked impetus. **Illingworth Morris A** eased the turn to 52p following the half-timer.

Tobaccos were buoyant, although business levels left much to be desired. **Bats** advanced 10 more to 310p with the aid of U.S. support, while **Rothmans International** firmed 5 to 168p—a two-day advance of 13—on further consideration of the interim statement.

Financials made progress *across a broad front*. **Henderson Administration** spurted 30 to 505p following the 43 per cent expansion in first-half profits and proposed sale of its 50 per cent stake in *Henderson Baring Management to Baring Brothers*. **M and G Group**, scheduled to announce preliminary results next month, advanced 17 for a three-day gain of 42 to 662p. **Exco International** were buoyant and rose 18 to 543p in the wake of the excellent fourth-quarter figures from its Telerate subsidiary. Gains of around 15 were common to **R. P. Martin**, 290p, **Mills and Allen**, 305p, and **Mercantile House**, 274p. Elsewhere, **Hampton Trust** firmed a couple of pence to 36p following *the increased mid-term profits* and resumed interim dividend.

Oils improve

Leading Oils shrugged off the *recent worries* over crude oil prices and closed with useful gains. **BP** and **Shell** attracted good support throughout the session and added 10 apiece at 492p and 630p respectively, while **Royal Dutch** rose ⅛ to £41⅛. **Burmah** responded to revived takeover talk and moved up 6 to 211p. Bid rumours also sustained **Lasmo**, which edged up a couple of pence to 355p.

Among secondary issues to make progress, **Ultramar** gained 5 more to 238p. **Carless Capel** held at 183p following the *sharply improved* interim results which were broadly in line with market forecasts.

Golds down again

The latest upsurge in the dollar prompted another depressing performance by the bullion price and caused a widespread retreat in the gold and related sectors of mining markets.

Bullion dropped to $327.30 an ounce in New York overnight *and closed a net* $2.75 down at $331 in London, its lowest closing level since early July 1982.

South African Gold shares followed suit. Overnight American selling initiated a general mark-down at the outset but little selling pressure ensued. Consequently, quotations moved in a narrow range for the rest of the day and the Gold Mines index showed a further 8.9 loss at 550.9, extending the decline over the past two days to one of 25.9.

Financials mirrored the trend in gold and gold shares. **Anglo American Corporation** were a nervous market and gave up ¼ to £11 in front of the interim results due today, while recent favourite **Rand Mines Properties** attracted Johannesburg selling and closed 80 down at 560p.

London-registered Financials showed **Consolidated Gold Fields** 12 easier at 488p, after 482p, reflecting the poor performance of *bullion, while the marked weakness* of Johnson Matthey unsettled **Charter**, which dropped 8 to 197p. **Rio Tinto-Zinc** drifted back on lack of support and easier metal prices to close 13 cheaper at 607p. **Hampton Areas** eased 4 to 168p.

Australians remained a weak market ahead of Saturday's Federal election and also reflecting the widespread declines in precious and base-metal prices. **Bougainville** added 2 to 125p following news that the two-week strike at the company's mining *operation in Papua New Guinea* has been settled.

Activity in Traded Options improved dramatically. Total contracts struck amounted to 7,558, the highest this *month, comprising* 5,961 calls and 1,597 puts. Much of the business was attributable to **Trafalgar House** which recorded 2,515 calls, the January 280s and 300s accounting for 950 and 1,285 trades respectively; the annual results are scheduled for next Tuesday. **Jaguar** continued to attract operators' enthusiasm and recorded 767 calls, 254 of which were done in the December 200s, 4 better at 24p.

FINANCIAL TIMES STOCK INDICES

	Nov. 28	Nov. 27	Nov. 26	Nov. 23	Nov. 22	Nov. 21	Year ago
Government Secs	82.96	83.00	83.06	82.94	82.91	82.63	83.33
Fixed Interest	86.16	86.05	86.08	86.02	86.12	86.04	86.20
Industrial Ord	929.2	925.3	922.1	910.3	909.9	918.7	746.1
Gold Mines	550.9	559.8	576.8	576.2	572.5	567.2	570.[illegible]
Ord. Div. Yield	4.60	4.61	4.63	4.69	4.69	4.64	4.65
Earnings, Yld.% (full)	11.17	11.23	11.28	11.29	11.29	11.18	9.86
P/E Ratio (net) (*)	10.71	10.65	10.60	10.61	10.61	10.72	12.75
Total bargains (Est.)	20,642	17,481	19,918	21,880	19,226	22,340	20,760
Equity turnover £m.	—	295.65	271.90	279.41	313.62	310.75	289.0
Equity bargains	—	15,221	14,885	18,576	16,784	15,880	17,751
Shares traded (ml)	—	164.2	153.9	162.4	164.5	148.7	139.6

10 am 928.1. 11 am 930.7. Noon 929.2. 1 pm 929.4. 2 pm 929.4. 3 pm 929.8.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

* Nil = 10.30.

HIGHS AND LOWS

—	1984 High	1984 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs	83.77 (9/1)	75.72 (30/7)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	87.48 (14/3)	80.43 (30/7)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	929.2 (28/11)	755.3 (23/7)	929.2 (28/11/84)	49.4 (26/6/40)
Gold Mines	711.7 (9/3)	485.7 (1/8)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Nov. 27	Nov. 26
Daily Gilt Edged Bargains	146.9	161.5
Equities Bargains	98.6	102.9
Value	597.5	549.5
5-day Average Gilt Edged Bargains	149.0	160.4
Equities Bargains	104.6	104.9
Value	594.8	563.5

NEW HIGHS AND LOWS FOR 1984

NEW HIGHS (215)

BRITISH FUNDS (3)
FOREIGN BONDS (4)
AMERICANS (13)
CANADIANS (4)
BANKS (3)
BREWERS (1)
BUILDINGS (6)
CHEMICALS (7)
STORES (17)
ELECTRICALS (14)
ENGINEERING (10)
FOODS (12)
HOTELS (4)
INDUSTRIALS (28)
INSURANCE (12)
LEISURE (1)
MOTORS (5)
NEWSPAPERS (4)
PAPER (11)
PROPERTY (16)
TEXTILES (2)
TOBACCOS (1)
TRUSTS (36)
OILS (1)

NEW LOWS (18)

BUILDINGS (1)
Johnstones Paints
STORES (2)
Castle (G. B.) Steinberg
ELECTRICALS (5)
Acorn Computer, Security Tag Systems, Checkpoint Europe, Zygal Dynamics, Security Centres
ENGINEERING (1)
Howden Group
FOODS (1)
Bensons Crisps
INDUSTRIALS (3)
Barget, EIS, Johnson Matthey
SHIPPING (1)
Runciman (W.)
OILS (2)
N Sea. & Gen. Inv. Ranger Oil
MINES (2)
East Rand Prop. Pahang

RECENT ISSUES

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

Issue price p	Amount paid up	Latest Renunc. date	1984 High	1984 Low	Stock	Closing Price p	+ or −
[illegible]							
80	F.P.	16/1	83	80½	Attwoods	83	+2
38	F.P.	12/11	49	42	Baynes (Charles) 10p	49	
100	F.P.	13/12	110	104½	Cambrian & General	106	+1
210	F.P.	—	246	235	Do. Cap 7½p	239	+4
240	F.P.	15/11	323	293	CASE 20p	315	
30	Nil	—	4½pm	3pm	Jacks (Wm)	4½pm	
205	F.P.	7/12	219	201	Sovereign Oil	202	+1
205	Nil	19/11	127	118	✣Television Services 50p	125	
170	Nil	5/11	110pm	78pm	✣Tops Ests. 10p	110pm	+3

Renunciation date usually last day for dealing free of stamp duty. *b* Figures based on prospectus estimates. *d* Dividend rate paid or payable on part of capital; cover based on dividend on full capital. *g* Assumed dividend and yield. *u* Forecast dividend cover based on previous year's earnings. C Canadian. F Dividend and yield based on prospectus or other official estimates for 1985. *H Dividend and yield based on prospectus or other official estimates for 1983-84.* Q Gross. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or takeover. ■ Allotment letters or fully-paid. ‖‖ Introduction. ✣ Unlisted Securities Market. § Placing price. T Figures assumed. †† Official London Listing. ‡‡ Dealt in under Rule 535(3).

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Nov 19	Nov 30	Feb 21	Mar 4
Dec 3	Dec 14	Mar 7	Mar 18
Dec 17	Jan 4	Mar 21	Apr 1

For rate indications see end of Share Information Service

Stock favoured for the call included **North Kalgurli, Johnson Matthey, Abaco Investments, Oliver Prospecting, DRG, AI Industrial Products, Reliant Motor and Dunlop.** A put was done in **Stock Conversion**, while doubles were struck in **Oliver Prospecting and Combined Ttechnologies.**

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
Allied-Lyons	159	−5
BPB Inds	280	−12
Beecham	377	+9
British Aerospace	371	+14
Cable and Wireless	403	+20
Charter Consolidated	197	−8
Cons Gold Fields	488	−12
Reed International	506	+12
Rowntree Mackintosh	354	+4
Saatchi and Saatchi	905	+30
Tesco	236	+7
Trafalgar House	312	+2

Based on bargains recorded in Stock Exchange Official List.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	18	38	48
Corpns. Dom. & Foreign Bonds	15	5	55
Industrials	400	175	841
Financial & Props	217	52	273
Oils	29	24	72
Plantations	6	1	10
Mines	25	72	79
Others	108	22	63
Totals	818	389	1,441

TUESDAY'S ACTIVE STOCKS

Stock	No. of changes	Tues. close	Day's change
Beecham	21	368	+13
Comfort Hotels	16	74	+7
Rothmans B	14	161	+8
Sec'y Centres	14	200	−30
Barclays Bank	13	527	+9
Thorn EMI	13	483	−5
Comm Union	12	173	+2
ICI	12	672	+6
BAT Inds	11	300	−2
BTR	11	547	+2
Hill Samuel	11	318	+13
Land Sec	11	311	+8
Sedgwick	11	313	+6
Volex	11	132	+12

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS — Wed Nov 28 1984 — Tues Nov 27 — Mon Nov 26 — Fri Nov 23 — Thur Nov 22 — Year ago

[illegible]

FIXED INTEREST

[illegible]

AVERAGE GROSS REDEMPTION YIELDS

[illegible]

BRITISH GOVERNMENT INDEX-LINKED STOCKS

[illegible]

†Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

EUROPEAN OPTIONS EXCHANGE

Series		Feb. Vol.	Feb. Last	May Vol.	May Last	Aug. Vol.	Aug. Last	Stock
GOLD C	$325	80	14	20	23 A	—	—	$328.60
GOLD C	$350	110	6 A	28	11.30	—	—	
[illegible]								

TOTAL VOLUME IN CONTRACTS: 18,250

A=Ask B=Bid C=Call P=Put

LONDON TRADED OPTIONS

Option		Calls Jan.	Calls Apr.	Calls Jly.	Puts Jan.	Puts Apr.	Puts Jly.
B.P. (*493)	390	112	118	—	2	4	—
	420	82	92	—	3	6	—
	460	50	60	67	10	17	23
	500	23	32	37	25	32	40
	550	5	15	—	68	70	—
Cons. Gold (*484)	460	47	58	67	9	17	26
	500	23	38	47	28	[illegible]	[illegible]
	550	13	18	28	75	[illegible]	[illegible]
	600	4	—	—	122	[illegible]	[illegible]
	650	1½	—	—	175	[illegible]	[illegible]
[illegible]							

Option		Calls Feb.	Calls May	Calls Aug.	Puts Feb.	Puts May	Puts Aug.
Imperial Gp. (*174)	140	39	42	—	2	4	—
	160	20	23	26	4	7	9
	180	7½	11	16	11	15	17
LASMO (*356)	280	85	—	—	4	—	—
	300	68	75	—	8	12	—
	330	48	57	60	14	23	27
	360	27	35	40	27	35	40
[illegible]							

Nov. 28, Total Contracts 7,558. Calls 5,961. Puts 1,597.
* Underlying security price.

Financial Times Thursday November 29 1984

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

1984 High	1984 Low	Stock	Price £	+ or −	Yield Int.	Yield Red.
		"Shorts" (Lives up to Five Years)				
105⅛	101	Treas. 15pc 1985	101	−⅛	14.84	9.61
102¼	100	Exch. 12pc Cnv. '85	100	+⅛	11.92	9.76
97	93	Treas 3pc 1985	96	−⅛	3.09	9.73
102⅝	99½	Treas 11½pc 1985	102		11.34	9.72
99⅞	96	Treas 8¼pcCnv '85	99		8.82	9.21
104	99⅞	Exch. 12¼pc 1985	102		11.99	9.85
103	99	Exch. 11¼pc '86	101		11.53	9.95
102	96	Treas. 10pcCnv 1986	100		9.99	9.92
92⅞	88¼	Treas 3pc 1986	92⅞	+⅛	3.25	8.26
102	96½	Exch. 10½pc Cv '86	100		10.43	10.01
104	99	Treas 12pc 1986	102		11.69	10.09
98¼	93½	Treas 8¾pc 1984-86‡‡	97¼	−⅛	8.70	10.02
108	102	Exch. 14pc 1986	106	−⅛	13.15	10.19
88	85	Exch 2½pc 1986	88¼xd	−⅛	2.82	8.82
107	100	Exch. 13¾pc 1987	105	−⅛	12.58	10.37
100⅞	94½	Treas 10¼pcCv '87	99⅞	−⅛	10.29	10.39
87½	83½	Exch 2½pc 1987	87½	+⅛	2.86	8.75
101	94½	Exch 10½pc 1987	100		10.48	10.39
92	87	Funding 6½pc '85-87‡‡	92½	−⅛	7.03	10.07
99⅞	92⅞	Treas. 10pc 1987	99xd	−⅛	10.10	10.47
85⅝	81	Treas 3pc 1987	85⅝		3.50	9.29
105	97¼	Treas. 12pc 1987	103½	−⅛	11.59	10.57
94⅞	87	Treas 7¼pc 1985-88‡‡	93¼		8.31	10.38
100¼	92	Exch 10½pc '88	99⅝	−⅛	10.54	10.64
98¼	89	Treas 9¾pc Cv '88	97½xd	−⅛	10.04	10.76
82	77	Transport 3pc '78-88	80xd	−⅛	3.71	9.44
96	88	Treas. 9½pc '88	95⅞	−⅛	9.91	10.81
106¼	94	Treas 11½pc 1989	101	−⅛	11.28	10.88
96	87	Treas 9½pc Cnv. '89	96¼	−⅛	9.88	10.62

Five to Fifteen Years

Over Fifteen Years

Undated

Index-Linked

INT. BANK AND O'SEAS GOVT STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Building Societies

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS, HP AND LEASING

Hire Purchase, Leasing, etc.

BEERS, WINES AND SPIRITS

BEERS, WINES—Cont.

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

DRAPERY AND STORES

DRAPERY & STORES—Cont.

ELECTRICALS

ENGINEERING

ENGINEERING—Continued

FOOD, GROCERIES, ETC

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

INSURANCES

LEISURE

LEISURE—Continued

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

MINES—Continued

1984 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
		Central African					
280	145	Falcon Z50c.	150		Q100c	♦	38.9
17	8	Wankie Col. Z$1	9½		—	—	—
21	14	Zam.Cpr.SBD0.24	14½		—	—	—
		Australians					
55	23	♥ACM 50c	53	+1	—	—	—
38	17	♥Allstate Expl'n. NL	32		—	—	—
10½	3½	♥Asia Oil & Minerals	4¼		—	—	—
20	12	♥Aust. Hydrocarbons NL	20		♦	—	—
28	13½	♥Australis Mng N L	14½		—	—	—
45	15	♥Balmoral Res.	19		—	—	—

Miscellaneous

1984 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's
370	210	♥Centennial Min'ls.	300		—	—	—
175	80	♥Colby Res Corp.	85		—	—	—
955	550	Cons. Murch. 10c	675		†Q100c	1.4	6.5
36	25	♦Ennex Int. Ir10p	31		—	—	—
252	160	Hampton Areas 10p	168	−4	3.75	2.1	3.0
225	140	♥Highwood Res.	185	−5	—	—	—
£24½	£16	Homestake Mining $1	£19¾	−¼	Q20c	—	0.5
235	135	♥McFinley Red Lake	230	+10	—	—	—
240	101	♥Musto Explorations	200		—	—	—
55	23	♥New Sabina Res C$1	28		—	—	—
365	220	Northgate C$1	295	−5	—	—	—
718	500	RTZ	607	−13	†18.0	2.7	4.2
£155½	£113½	Do. 9½pcLn '95-2000	£136	−2	Q9½%	35.4	17.2
£11¼	850	♥Tara Explo $1	910		—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock".
- ●+ Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ● Figures or report awaited.
- ♥ Not officially UK listed; dealings permitted under Rule 535(4)(a).
- ♦ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 535(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- † No par value.

B.Fr. Belgian Francs. Fr. French Francs. ♦♦ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or official estimates for 1984. M Dividend and yield based on prospectus or other official estimates for 1985-86. N Dividend and yield based on prospectus or other official estimates for 1985. P Figures based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

Stock	Price	+ or −	Stock	Price	+ or −
Albany Inv 20p	86	....	Arnott	155	....
Craig & Rose £1	£11xd	...	CPI Hldgs	54	....
Finlay Pkg. 5p	42	....	Carrol Inds.	119	....
Higsons Brew	85xd	....	Dublin Gas	65	....
Holt (Jos) 25p	890	....	Hall (R. & H.)	38	....
IoM Stm. £1	107	....	Heiton Hldgs.	15	....
IRISH			Irish Ropes	35	....
Exch. 12% 1985	£98⅛	−⅛	Jacob (W.& R.)	65	....
Nat. 9¾% 84/89	£82¼	−1	TMG	67	....
Fin. 13% 97/02	£85⅝	−2⅛	Unidare	80	....

OPTIONS — 3-month call rates

Stock	p	Stock	p	Stock	p
Industrials		Hawker Sidd	38	Vickers	18
Allied-Lyons	15	Hse of Fraser	28	Woolworth Hldg	50
BOC Grp.	24	ICI	50		
BSR	15	'Imps'	14	**Property**	
Babcock	13	Jaguar	18	Brit Land	14
Barclays Bank	42	Ladbroke	20	Cap Counties	18
Beecham	30	Legal & Gen	42	Land Secs	24
Blue Circle	46	Lex Service	32	MEPC	30
Boots	18	Lloyds Bank	42	Peachey	24
Bowaters	16	'Lofs'	1¼	Samuel Props	14
Brit Aerospace	34	Lucas Inds	24	Sterling Guar.	5½
BAT	22	'Mams'	14		
Brown (J.)	3	Marks & Spcr	10	**Oils**	
Burton Ord	32	Midland Bk	33	Brit. Oil & Min	4½
Cadburys	14	NEI	9	Brit Petroleum	38
Comm Union	15	Nat West Bk	54	Burmah Oil	19
Courtaulds	11	P & O Dfd.	24	Charterhall	6
Debenhams	19	Plessey	20	Premier	6
Distillers	24	Racal Elect	24	Shell	55
Dunlop	5	RHM	10	Tricentrol	22
FNFC	7	Rank Org Ord.	24	Ultramar	22
Gen Accident	42	Reed Intnl	50		
Gen Electric	20	Sears	7	**Mines**	
Glaxo	90	TI	18	Charter Cons	21
Grand Met	26	Tesco	8	Cons Gold	42
GUS 'A'	55	Thorn EMI	42	Lonrho	14
Guardian	58	Trust Houses	12	Rio T Zinc	60
GKN	16	Turner Newall	9		
Hanson Tst.	22	Unilever	80		

A selection of Options traded is given on the London Stock Exchange Report page.

"Recent Issues" and "Rights" Page 35

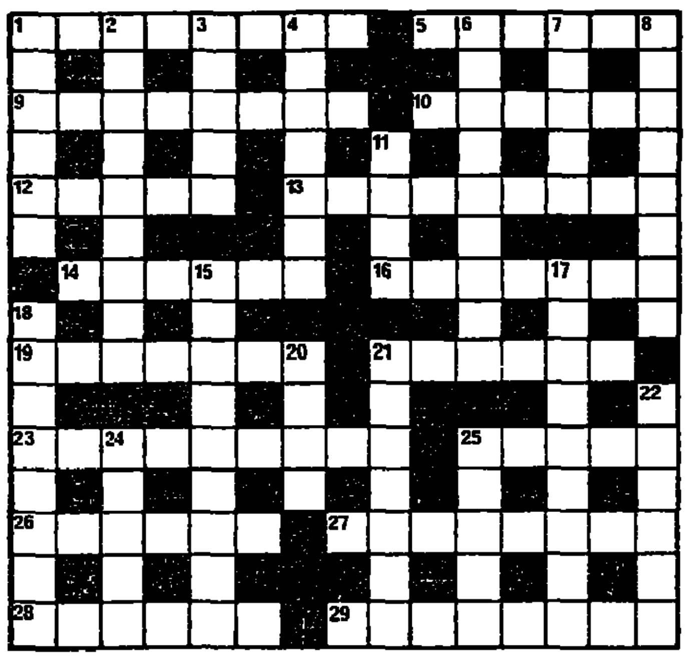
This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £700 per annum for each security.

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

INSURANCES

F.T. CROSSWORD PUZZLE No. 5,582



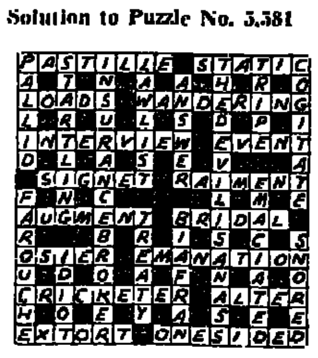
ACROSS

1 Puh in new place on top of *a mountain* (8)
5 Bounds within which wines are stored (6)
9 Old port in Labrador, perhaps (8)
10 Staff of office? (6)
12 Free from fault (5)
13 Destroys — or leastways it may appear so (4, 5)
14 Journey to the game (6)
16 One needs a couple of rings to get this number (7)
19 His examinations necessitate a lot of book-work (7)
21 Ernest has the makings of a writer (6)
23 Articles from the picnic basket in the meadow (9)
25 He ran a novel criminal class (5)
26 Yet one may be at one's lowest on them (6)
27 Confuse by suggesting that one should be less calm (8)
28 Lie, in an open sort of way (6)
29 Keeps faith like a skinhead after priest's conversion? (8)

DOWN

1 Friend allowed to make the bed (6)
2 Her charges are usually small (9)
3 Audibly permitted (5)
4 Rock singer (7)
6 A new local order for a grant (9)
7 House and ground (5)
8 Forces one to hang about instead of going to work (8)
11 Legend ever in my thoughts (4)
15 and 25 down: Case files worth reconsidering directly (2, 3, 4, 5)
17 See danger getting involved with traitors (9)
18 Entertains with ports (8)
20 People in competition (4)
21 Wrongly presume it's the highest (7)
22 Noisy drinks! (6)
24 Get thinner and lighter (5)
25 See 15 down

Solution to Puzzle No. 5,581



INSURANCE, OVERSEAS & MONEY FUNDS

Liberty Life Assurance Co Ltd

National Provident Institution

Life Assur. Co. of Pennsylvania

Lloyds Life Assurance

London & Manchester Group

M & G Group

MGM Assurance

Manufacturers Life Insurance Co (UK)

Merchant Investors Assurance

Municipal Life Assurance Ltd

NEL Pensions Ltd

New Zealand Insurance PLC

Norwich Union Insurance Group

Pearl Assurance (Unit Funds) Ltd.

Phoenix Assurance Co. Ltd.

Pioneer Mutual Insurance Co. Ltd.

Premium Life Assurance Co. Ltd

Property Equity & Life Ass. Co.

Property Growth Assur. Co. Ltd.

Providence Capitol Life Assur. Co. Ltd.

Provincial Life Assurance Co. Ltd.

Prudential Assurance Co.

Prudential Pensions Limited

Reliance Mutual

Royal Life Insurance Ltd.

St George Assurance Co Ltd

Save & Prosper Group

Schroder Life Assurance Ltd.

Scottish Amicable Investments

Scottish Equitable Life Assce. Soc.

Scottish Life Investments

Scottish Mutual Assurance Society

Scottish Provident Institution

Scottish Widows' Group

Standard Life Assurance Company

Sun Alliance Insurance Group

Sun Life of Canada (UK) Ltd.

Sun Life Unit Assurance Ltd.

Swiss Life Pensions Ltd

TSB Life Ltd

Target Life Assurance Co. Ltd.

Transinternational Life Ins. Co. Ltd.

Trident Life Assurance Co. Ltd

Tyndall Assurance/Pensions

Vanbrugh Life Assurance

Vanbrugh Pension Limited

Windsor Life Assur. Co. Ltd.

OFFSHORE AND OVERSEAS

Actibonds Investment Fund SA

Adig Investment

Albany Fund Management Limited

Alliance Capital Management Intl Inc

Arbuthnot Securities (C.I.) Ltd.

Aries Fund Managers Ltd.

B.I.A. Bond Investments AG

Bank of America International S.A.

Barclays Unicorn International

Bishopsgate Commodity Ser. Ltd.

Britannia Intl. Investment Mngmt. Ltd.

Brown Shipley Tst. Co. (C.I.) Ltd.

Butterfield Management Co. Ltd.

CAL Investments (IoM) Ltd

CAL Investments (Bermuda) Ltd

Capital International Fund S.A.

Charterhouse Japhet

Citibank (CI) Ltd "Citifunds"

Cornhill Ins. (Guernsey) Ltd.

Cortexa International

Craigmount Fund Int. Mngrs. (Jersey)

DWS Deutsche Ges. F. Wertpapiersp

Delta Group

Deutscher Investment-Trust

Dreyfus Intercontinental Inv. Fd.

Duncan Lawrie Inv. Mgt. Ltd.

EBC Trust Company (Jersey) Ltd.

The English Association

Ermitage Management Ltd.

Eurotax Investments Ltd.

F. & C. Management Ltd.

Fidelity International

Fleming Group

Forbes Securities Management Ltd

Foreign & Colonial Management Ltd.

Framlington Overseas Fund Mngt. Ltd.

Frankfurt Trust Investment-GmbH

Free World Fund Ltd.

G. T. Management (U.K.) Ltd.

Gartmore Fund Managers (C.I.) Ltd.

Gartmore Fund Managers (IOM) Ltd

Assicurazioni GENERALI S.p.A.

Global Asset Management Corp.

Grindlays Henderson Mngt Ltd.

GSE International Invest Mgrs Ltd

Hambros Bank (Guernsey) Ltd.

Hill Samuel Investment Mgmt. Intnl.

Henderson Baring Group

Hill Samuel Fd. Mngrs. (Guernsey) Ltd.

Hill Samuel & Co. (Guernsey) Ltd.

Jardine Fleming & Co. Ltd.

Kleinwort Benson Group

Korea International Trust

Lazard Brothers & Co. (Jersey) Ltd.

Leopold Joseph & Sons (Guernsey)

Lloyds Bank (C.I.) U/T Mgrs.

Lloyds Bank International, Geneva

Lloyds Life (Isle of Man) Ltd

Lombard Odier Intl. Portfolio Mgt.

M & G (Cayman) Ltd.

Management International Ltd

Manufacturers Hanover Geofunds

Midland Bank Tst Corp (Jersey) Ltd

Samuel Montagu Ldn Agents

NEL International Ltd

Nat Westminster Jersey Fd Mgrs Ltd

Newport International Management

Norcap Fund Managers (Bermuda) Ltd

Northgate Unit Tst Mngrs (Jersey) Ltd

Pacific Basin Fund

Perpetual UT Mngrs (Jersey) Ltd

Phoenix International

Providence Capitol International Ltd

Putnam International Advisors Ltd

Quilter/Heinold Commodities

Rea Brothers (IoM) Ltd

Richmond Life Ass Ltd

Rothschild Asset Management (CI)

Rothschild Australia Asset Mgmt Ltd

Rouse Woodstock (Bermuda) Ltd

Royal Bank of Canada Funds

Royal Trust Intnl Fd Mgmt Ltd (a)

SCI/TECH SA

Save & Prosper International

Schroder Mngt Services (Jersey) Ltd

J. Henry Schroder Wagg & Co Ltd

Schroder Unit Trust Mgrs Int Ltd

Stronghold Management Ltd

Surinvest (Jersey) Ltd

TSB Trust Funds (CI)

Target Trust Mngrs (Jersey) Ltd

Templeton (Inv Adviser)

Tokyo Pacific Hldgs (Seaboard) NV

Tyndall Bank (Isle of Man) Ltd

Tyndall Managers

Tyndall International Assurance Ltd

Tyndall-Guardian Mngt Ltd

M. G. Tyrrell & Co Ltd

Union-Investment-Gesellschaft GmbH

United Fund Managers Ltd

S. G. Warburg & Co Ltd and subsidiaries

Wardley Fund Managers (Jersey) Ltd

Wardley Investment Services Ltd

West Avon Secs (Guernsey) Ltd

World Wide Growth Management

Wren Commodity Management Ltd

Yamaichi Dynamic Mngt Co SA

Money Market Trust Funds

Mallinhall Ltd

The Money Market Trust

Oppenheimer Money Management Ltd

Money Market Bank Accounts

Aitken Hume

Bank of Scotland

Barclays Prime Account

Britannia Grp of Investment Companies

Charterhouse Japhet plc

Cheque & Save

Co-operative Bank

Dartington & Co Ltd

Lombard North Central plc

Midland Bank plc

Save & Prosper/Robert Fleming

Tyndall & Co

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♦ Guernsey gross. ♦ Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ♦ Yield column shows annualised rates of NAV increase.

COMMODITIES AND AGRICULTURE

Unleaded petrol futures launched

BY TERRY DODSWORTH IN NEW YORK

THE New York Mercantile Exchange yesterday announced the launch of an oil futures contract in unleaded petrol, citing growing demand from European refineries and some producer countries amoung reasons for the introduction.

Trading in the contract will begin next Monday to coincide with the 100th birthday of the exchange, the world's premier energy futures market.

Mr Michel Marks, exchange chairman, said: "We have carefully timed this contract's introduction to coincide with active spot market trading of unleaded gasoline. The industry is therefore behind it and its volatility appeals to our floor traders."

He refused to say which producer countries had shown an interest in the contract but said Saudi Arabia now had refining facilities capable of producing unleaded petrol to U.S. specifications. Surplus refining capacity in Western Europe was also causing European companies to look in the direction of the U.S. market.

In addition, he expected further demand to come from the U.S. retail sector, where competition is likely to rise because of changes allowing petrol stations to sell any brand.

The announcement of the unleaded contract comes as the U.S. market is shifting decisively away from the use of leaded petrol. According to a study by the Energy Futures Group, the share of the unleaded product in total U.S. petrol sales has risen from under 50 per cent in 1981 to a current level of about 60 per cent. It is expected that by 1990 unleaded will take up to 84 per cent of the market.

Further, the EEC is starting to move in the same direction, with new car emission regulations due to go into effect in 1989 and West Germany already committed to begin phasing in unleaded fuel in 1987.

Ms Rosemary McFadden, Nymex president, said the exchange saw four main ways to use the contract.

Saudi LPG to Japan cut

BY OUR FOREIGN STAFF

SAUDI ARABIA is cutting supplies of liquified petroleum gas (LPG) to Japan, its main customer, because of the fall in its oil production.

Petromin, the state oil corporation, has told importers that propane's availability is being cut by 30 per cent and that of butane by 10 per cent. This means overall shipments will be down by rather more than one fifth (they receive a 60:40 mix). Saudi supplies have been running at an annual rate of about 5.5m tonnes.

Saudi oil production this month has run at about 3.8m barrels a day—not including some cargoes lifted for storage by Norbec, the state-owned marketing company.

It has been curtailed well below the maximum of 4.35m b/d to which the kingdom committed itself at last month's Opec conference.

Having cut its stocks in floating storage in October by about 15m barrels to about 50m barrels that month, Norbec is rebuilding them.

Four supertankers chartered by it lifted Saudi crude between November 4 and November 7. This month it has bought at least four vessels.

Oil industry executives yesterday confirmed a report by Petroleum Intelligence Weekly that Norbec had bought the 250,000-deadweight ton London Trader and the 420,000 dwt Robinson from Marathon, the 230,000 dwt Corona Star from Amerada Hess and the 260,000 dwt Acquilla Trader from N. J. Goulandris.

There is confusion, meanwhile, at reports the Soviet Union had told customers of force majeure cuts in contracted volumes of crude oil. Several—Petrobras, Compagnie Francaise des Petroles and Mitsubishi—were unaware yesterday of any cuts.

Gold slips to lowest level for 28 months

By Kenneth Marston

GOLD SLIPPED to its lowest London close for almost 2½ years yesterday, ending the day down $2.75 an ounce at $331. The closing level, the lowest since July 1982, was however, above the day's low of $328 thanks to a late rally inspired by a rally in the price of silver.

Precious-metals traders will be watching carefully today for any sign of weakness in silver, which some believe would herald a further decisive fall in gold.

Traders said there were no fundamentals at work in yesterday's price movements but the bullion market this year had been a picture of paradoxes.

Physical demand has been healthy for the most part and, at times, strong, especially from jewellers and other industrial users in the U.S.

Consumers in other countries, however, have been discouraged by the strength of the dollar, which has been reflected in high gold prices in other currencies.

It has been notable, for instance, that the South African mines have been obtaining highest-ever rand prices for their gold production at a time when the U.S. price has been sagging below $350 per oz — a far cry from the record $850 reached in the 1980 gold boom.

For the near term the key to the behaviour of the gold price remains the U.S. dollar, although continued firmness in the U.S. currency does not necessarily mean a further weakening in bullion prices. These are cushioned to some extent by industrial demand.

There has been little incentive for investment or speculative demand for bullion. Apart from high interest rates the metal has been less useful in its traditional role as a hedge against inflation. At the same time the strength of the dollar and U.S. interest rates has provided a powerful counter-attraction for liquid funds.

Potential investment buyers of gold have been awaiting a fall in U.S. interest rates which should lead to a fall in the value of the dollar and a consequent rise in the dollar bullion price.

Farmers turn to improvement of marketing

Food from Britain was launched 18 months ago to challenge the whole agricultural and food industry. ANDREW GOWERS reports its progress.

THERE'S NOTHING like the threat of imminent EEC bankruptcy to focus farmers' minds, it seems. As demonstrated most vividly by this year's milk quotas, the days of high guaranteed prices for unlimited food production are fast disappearing.

It is natural enough, therefore, that more and more British farmers are turning their attention to boosting their returns from the marketplace and responding more closely to consumers' requirements. However painfully slowly, it appears that the idea of improved marketing—long advocated by government and traditionally pooh-poohed by farmers—is gaining ground.

If this trend continues, no one will be more delighted than Food from Britain, the government-funded organisation which aims to promote sales of British food at home and abroad.

Launched 18 months ago amid fanfares by Mr Peter Walker, then Agriculture Minister, the organisation has since struggled to establish itself with the people it is meant to serve. Now it is quietly getting down to work.

The coming months will see the emergence of what is billed as the organisation's most significant innovation—a unified quality assurance scheme for a number of key British products.

In Mr Walker's words, Food from Britain's job is to offer "a challenge to the whole of the agricultural and food industry to make better marketing their top priority in the '80s."

The message has been picked up by the ministry's current incumbents. Mr John MacGregor, Minister of State, said recently:

"No longer is it possible to think simply in terms of production. More and more the emphasis will need to be . . . on looking to see what the market requires and the consumer demands or, through good marketing skills, is persuaded and encouraged to demand."

In one sense, Britain's food trade performance in recent years has been a resounding success. In the 11 years since Britain joined the EEC its farmers and manufacturers have rushed to boost production and exports of bulk commodities such as grain and cheddar cheese, making the country the world's seventh largest food exporter.

Food exports have risen by more than 30 per cent in the past five years and are expected to be worth nearly £4bn this year. Since 1978, grain exports have tripled and cheese sales abroad have doubled.

That, however, masks a relatively poor performance in more specialised or sophisticated products—ironically, particularly on the home market.

This has deep historical roots, notably in Britain's cheap food import policy before it joined the Community. Since 1973, *however, the scale and variety of* food imports from Continental Europe have rocketed.

In bacon, for example, Britain has been fighting a constant battle for its home market with Danish producers, who are more efficient and tend to pay more attention to quality and presentation. This has been rectified to some extent with the advent of a quality mark scheme for British bacon.

Until quite recently, with the arrival of Lymeswold and Melbury cheeses, British producers were simply not geared to compete with the increasing amounts of French soft cheeses coming on to the domestic market.

The brief of Food from Britain, armed with £20m of official funds over the five years to 1988, is to collaborate with leading figures from the food and farming industries to change all that.

Many of the best-known names in the business sit on its council.

Therein, too, however, lies one of its main problems—at least initially. The British food industry is by tradition highly fragmented and politicised, full of deep and often personal rivalries.

For one thing, farmers were deeply suspicious of Food from Britain from the start, seeing it as a creature of the food manufacturers, whom they regard as among their worst enemies.

More significantly there is tremendous rivalry between the individual organisations which have grown up over the years to represent specific sectors of the industry.

None of these organisations is keen to cede any of its powers to a central operation such as Food from Britain.

The crucial test for Food from Britain, however, is yet to come, as it gets down to serious business. Mr Brian Law was recruited from the Mars company in August as chief executive.

The organisation is stepping up its promotions in its four target markets, the U.S., France, West Germany and Benelux and is launching its quality mark.

Food from Britain believes quality control is a major key to the success of France and The Netherlands, for example, as food exporters. It also points to the reputation for food quality carefully and successfully cultivated by retailers such as Marks & Spencer and J. Sainsbury.

There are those in the industry who would like to see such a scheme become statutory instead of voluntary as planned—a suggestion which has provoked outrage among food manufacturers. As it is constituted, however, Food from Britain does not have the resources to police anything on that scale.

The organisation is up against two major problems in the longer term:

● Britain has a relatively small range of distinctive goods to offer on international markets—unlike France, for example; the general image of its food is poor, and British producers have difficulty in keeping up with the increasingly exotic demands of consumers at home.

● Its government funding is pitifully small by comparison with its continental rivals. France's Sopexa, for example, is believed to be spending as much this year on promotions in Britain alone as Food from Britain spends worldwide. Food from Britain is also a comparatively late arrival and has far fewer powers than centralised organisations such as those in France or The Netherlands.

Most important of all, the organisation's official funding expires in 1988. It will then have to fend for itself with funds from the industry. Whether it will have proved its worth sufficiently to farmers and food manufacturers by then remains to be seen.

High EEC sugar exports authorised

EEC market managers authorised the export of more than 94,000 tonnes of sugar at yesterday's weekly tender, the highest quantity so far this year.

The EEC sugar management committee accepted export bids for 79,250 tonnes of white sugar at a maximum export rebate of Ecu 40.319 per tonne and for 15,000 tonnes of raw at rebate of Ecu 36.969. UK and French traders won the biggest share of export certificates capturing 38,000 tonnes and 37,250 tonnes

News of the tender knocked just over $1 off the March raw sugar price on the London market which ended the day at about $143.60 a tonne.

● SOVIET imports of grain—estimated at a record 50m tonnes for 1984-85—after this year's poor harvest have proved particularly beneficial for U.S. farmers, according to a report by Wharton Econometric Forecasting Associates. Wharton calculates the increased Soviet demand for U.S. wheat and maize has added 21 cents to 1984-85 season average wheat prices and 14 cents to maize

The report says that though the deficiencies in the Soviet system could be blamed for its poor agricultural performance in recent years, this year's disappointing crop is "undeniably and largely" the result of bad weather.

● A COMMODITY futures trading commission staff study found no evidence of price manipulation in soyabean futures trading on the Chicago Board of Trade last year.

The report said, however, that while it found no evidence of futures price manipulation by CBT clearing firms the division did not rule out the possibility their large net trades on occasion affected prices.

"Certain net trades were positively associated with the direction of price changes, and occasionally large net trades from several firms occurred in the same direction on the same day."

● INDIA'S private tea trade bodies have said the country's tea export target must not exceed 215m kg next year, the same as this year the Commerce Ministry said.

Copper exporters council moves to prevent price fall

PROGRESS IN the copper producers' long drawn out battle for higher prices comes in small steps. So it was at this week's meeting of CIPEC, the Intergovernmental Council of Copper Exporting Countries, held in Paris, writes George Milling-Stanley in Paris.

The council agreed its member-countries should "participate in a co-ordinated manner, where appropriate" in world metal markets in the hope of preventing prices falling further below the current depressed level.

Dealings will be limited initially to the London Metal Exchange. This is partly because U.S. anti-trust legislation would almost certainly outlaw any concerted action by the copper producers on U.S. markets, such as Comex, and partly because the council views the LME as a more orderly market. Comex is regarded as heavily influenced by speculators' activities.

Delegates said the council planned to confine itself to co-ordinating the activities of its member-states rather than to direct or orchestrate action. The members are Chile, Peru, Zambia, Zaire and Indonesia. Associate members are Papua New Guinea, Yugoslavia and Australia.

The main business of this week's gathering was to elect a successor to Sr Llosa as effective head of the council. The new incumbent is Citizen Donga Nigu-Dia-Vanga, Zaire's Secretary of State for Foreign Trade.

LONDON MARKETS

A general decline in base-metal prices on the London Metal Exchange yesterday was highlighted by exceptional weakness in copper prices which fell sharply in the face of heavy and sustained selling from the U.S. Three months copper fell away to close the afternoon kerb at £1,104.

Lead was also affected by American selling and dropped to a day's low of £324 before steadying to end the day at £328.5. Zinc, however, remained quiet and rallied from an initial £635 to close around £638.5.

The marked weakness of copper and the absence of any significant support from Japanese interests left aluminium a shade easier at £958.

MAIN PRICE CHANGES

In tonnes unless otherwise stated

	Nov. 28 1984	+ or —	Month ago
METALS			
Aluminium	£1100		£1100
Free Mkt.	$1175/1205	—10	$1180/1190
Copper			
Cash h Grade	£1096	—27.75	£1081
3 mths	£1114.25	—29.5	£1106.25
Gold troy oz	$331	—2.75	$353.75
Lead Cash	£355.5	—17.5	£329
3 mths	£324.75	—15.75	£335.75
Nickel	£5967		£5868
Free Mkt.	213/253c	+2	215/235c
Palladium oz.	$141.88	—1.5	$140.25
Platinum oz.	$318.50	—2.75	$322.75
Quick Silver†	$295/305		$300/310
Silver troy oz.	595.25p	—15.25	590.50p
3 mths	609.10p	—15.80	605.40p
Tin cash	£9880	+42.5	£9790
3 mths	£9792.5	+30	£9782.5
Tungsten	$83.34		$85.16
Wolfram 22 04lb	$77/79		$80/83
Zinc	£636	—6	£642.5
3 mths	£637.5	—1	£646.25
Producers	$900		$900

	Nov. 28 1984	+ or —	Month ago
OILS			
Coconut (Phil)	$970w	—2.5	$1230
Palm Malayan	$600v	—15	$615
Seeds			
Copra Phil	$540y		$700
Soyabean (U.S.)	$247.5z	—2	$257
GRAINS			
Barley Fut. Mar	£114.00	+0.25	£110.45
Maize	£145.00w		‡
Wheat Fut. Mar	£114.15	+0.25	£111.30
No2 Hard Wint.	‡		‡
OTHERS			
Cocoa Ft. Dec	£1881	—11.5	£1945
Coffee Ft. Nov	£2266	—25	£2342.5
Cotton A Index	72.00c	—0.45	74.30c
Gas Oil Jan.	$228	+3.75	$229.75
Rubber (kilo)	59p	+0.5	60p
Sugar (raw)	$111.5vx	+5.5	$123.5
Woolt'ps 64s	472p kilo		465pkl

‡ Unquoted. v Jan. z Dec. y Jan-Feb. x Dec-Jan. w Nov-Dec. † Per 75-lb flask. n Nominal. c Cents per pound.

INDICES

FINANCIAL TIMES

Nov. 27	Nov. 26	M'th ago	Year ago
289.77	291.70	292.00	286.83

(Base: July 1 1952 = 100)

REUTERS

Nov. 28	Nov. 27	M'th ago	Year ago
1875.5	1863.0	1897.9	1937.8

(Base: September 18 1931 = 100)

MOODY'S

Nov. 16	Nov. 7	M'th ago	Year ago
963.4	966.0	960.8	1006.9

(Base: December 31 1931 = 100)

DOW JONES

Dow Jones	Nov. 16	Nov. 7	Month ago	Year ago
Spot	—	126.26	124.3	134.45
Fut	128.94	130.13	126.95	140.79

(Base: December 31 1974 = 100)

COPPER

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	1104-.5	—4.75	1095.5-6.5	—27.7
3 months	1122.5-3.5	—6	1114-.5	—28.5
Settlem't	1104.5	—5	—	—
Cathodes				
Cash	1115-7	—1	1104-6	—28.5
3 months	1133-4	—3.25	1121-3	—31.5
Settlem't	1117	—1	—	—

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £1,104, three months £1,124, 23.5, 23, 22, 21, 21.5, 22, 22.5, 23. Cathodes: Cash £1,117, three months £1,133. Kerb: High Grade: Three months £1,123, 24, 24.5, 24. Afternoon: Higher Grade: Three month £1,121, 20, 19, 19.5, 19, 18, 18.5, 18, 17.5, 18, 12, 13, 12, 12.5, 13, 13.5, 13, 13.5, 14. Kerb: Three months £1,113, 12, 10, 9, 8, 7, 8, 7.5 7, 6, 5, 4, 5, 6, 5, 4, 3, 4, 5. Turnover: 35,825 tonnes. U.S. Producers: 64-68 cents per pound.

LEAD

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	340-1	—17	335-6	—17.5
3 months	327.5-8	—12.2	324.5-5	—15.7
Settlem't	341	—17	—	—

28, 27, 28, 28.5, 28. Kerb: Three months £329, 30, 31, 30. Afternoon: Cash £335, 36, three months £327, 26.5, 26, 25.5, 25, 25.5, 26, 25, 24.5, 24. Kerb: Three months £325, 24, 25, 26, 27, 28, 29. Turnover: 23,400 tonnes. U.S. Spot: 28-28 cents per pound.

TIN

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	9860-5	+55	9846-55	+30
3 months	9840-50	+37.5	9825-35	+20
Settlem't	9865	+55	—	—
Standard				
Cash	9835-40	+68	9815-25	+42.5
3 months	9800-5	+37	9790-5	+30
Settlem't	9840	+65	—	—
Straits E.	$29.15	—	—	—

Tin — Morning: Standard: Three months £9,795, 9,800, 10, 05, 03. High Grade: Cash £9,870, 60. Kerb: Three month £9,805. Afternoon: Standard: Three month £9,800, 9,795. High Grade: Three months £9,840. Kerb: Three months £9,790, 80. Turnover: 1,380 tonnes.

ZINC

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	636-7	+1	636-7	—
3 months	636.5	—1.75	637-8	—1
Settlem't	637	+1	—	—

Zinc—HIGH GRADE OFFICIAL/UNOFFICIAL PRICES: Cash am £688-690, pm £697-700. Three months am £681-687, pm £682-683 settlement £690. Morning: Cash £636, three months £635, 34.5, 36, 36.5, 37. Kerb: Three months £636, 37, 38. Afternoon: Three months £6,637, 36, 35.5, 37. Kerb: Three months £637, 38. Turnover: 12,375 tonnes. U.S. Prime Western: 45.00-45.75 cents per pound.

ALUMINIUM

Alumin'm	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Spot	937.5-8	—4.25	958-9	—4.5
3 months	962-.5	—4	962.5	—5

Aluminium—Morning: Three months £694, 63, 62.5, 63, 63.5, 64, 63, 62, 63, 62.5, 62. Kerb: Three months £962, 63, 64, 65. Afternoon: Three months £5,962, 63, 64, 65, 65.5, 66, 63, 64, 63, 62.5, 63. Kerb: Three months £960, 59, 58, 59, 58.5, 58, 59, 58.5, 58. Turnover: 24,050 tonnes.

NICKEL

NICKEL	a.m. Official	+ or —	p.m. unofficial	+ or —†
Spot	3946 53	+58	3950-40	+32.5
3 months	4028-30	+41.5	4008-10	+22.5

Nickel — Morning: Three months £4,030, 35, 32, 30, 25, 29. Afternoon: Three months £4,028, 30, 20, 15, 10, 06, 06. Kerb: Three months £4,010. Turnover: 984 tonnes.

GOLD

Gold fell to its lowest level for over two years on the London bullion market yesterday. A firmer dollar pushed gold down to $327¾-328¼ at the opening, and the metal was fixed at $329.10 in the morning and $329 in the afternoon. There was a late rally however, inspired by a U.S. led rise in the price of silver, and gold closed at the day's high of $330½-331½, a fall of $2¾ from the previous close.

LONDON FUTURES

Month	Yest'days close	+ or —	Business Done
	$ per troy ounce		
Dec.	327.80-28.00	—4.95	329.40-28.00
Feb.	332.50-32.80	—5.60	334.00-32.50
April	—	—	—

Turnover: 447 (231) lots of 100 troy ounces.

GOLD BULLION (fine ounce) NOV. 28

Close	$330½-331½	(£275¾-276¼)
Opening	$327¾-328¼	(£273½-274)
M'n'g fix.	$329.10	(£274.022)
Aft'n'n fix.	$329.00	(£273.756)

GOLD AND PLATINUM COINS

Kr'g' r'nd.	$340¾-341½	(£283½-284¼)
½ Krug.	$175½-176¼	(£146-146¾)
¼ Krug.	$89½-90¼	(£74½-75)
1/10 Krug.	$36½-37¼	(£30¼-31)
Mapleleaf	$340½-341½	(£283¾-284)
New Sov.	$77¾-78½	(£64¾-65¼)
½New Sov.	$47½-48¼	(£39½-40¼)
Old Sov.	$78½-80	(£65½-66¾)
$20 Eagle	$520-540	(£435-450)
Noble Plat	$326½-331¼	(£273¾-276¾)

SILVER

Silver was fixed 15.25p an ounce lower for spot delivery in the London bullion market yesterday at 595.25p. U.S. cent equivalents of the fixing levels were: spot 712.8c, down 24.7c; three-month 728.8c, down 25.2c; six-month 746.7c, down 25.7c; and 12-month 781.6c, down 26.5c. The metal opened at 592-595p (710-713c) and closed at 593-596p (711-714c).

SILVER per troy	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	595.25p	—15.5	591.5p	—15.5
3 months	609.10p	—15.1	621.75p	—15.5
6 months	624.15p	—15.6	—	......
12 months	660.80p	—18.1	—	......

LME—(2,000 oz contract): Cash 591.5p (607p); three months 606.25p (621.75p). Turnover: 0 (0).

Turnover: 96 (101) lots of 10,000 oz. Morning: Large 1st ring three months 609, 10, 10.5; 2nd ring three months 610, 10.5. Kerb: Untraded. Afternoon: Large 1st ring three months 607.5, 6.5, 6. Kerb: Large three months 604, 6.

COCOA

Futures lacked inspiration and drifted in a narrow range to close barely changed, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
	£ per tonne		
Nov.	1825 2300	—	—
Dec.	1880-1882	—11.5	1895-1875
March	1835-1837	+1.5	1842-1826
May	1838-1839	+4.5	1842-1828
July	1839-1841	+4.5	1846-1830
Sept.	1843-1846	+8.0	1845-1855
Dec.	1799 1800	+7.0	1805-1790
Mar.	1795-1800	+17.5	1800-1786

Sales: 2,343 (2,340) lots of 10 tonnes.

ICCO indicator prices (U.S. cents per pound). Daily price for November 27: 97.78 (97.36); five-day average for November 28: 98.22 (98.91).

COFFEE

During an active session persistent commission house selling created *losses of £5.30 as recent support* levels were gradually penetrated, reports Drexel Burnham Lambert. Most contracts recovered towards the close with the forward positions attracting buying as sterling remained under *pressure.*

COFFEE	Yesterd'ys Close	+ or —	Business Done
Nov.	2285-94	—5.5	2313-70
January	2265-67	—25.0	2295-61
March	2240-42	+2.0	2249-27
May	2215-20	+5.0	2220-05
July	2205-10	+4.0	2215-00
Sept.	2205-10	+5.5	2215-98
Nov.	2200-05	—	2214-99

Sales: 6,435 (4,231) lots of 5 tonnes.

ICO indicator prices (U.S. cents per pound) for November 27: Comp. daily 1979 138.18 (137.09); 15-day average 139.04 (139.16).

GRAINS

The markets remained steady seeing a good shipper to shipper trade in barley with generally steadier physical trade, reports Muirpace.

Mnth	WHEAT Yesterd'ys close	+ or —	BARLEY Yesterd's close	+ or —
Jan.	110.80	+0.55	111.10	+0.50
Mar.	114.15	+0.25	114.00	+0.25
May	117.50	+0.15	116.45	+0.35
July	119.50	+0.15		—
Sept.	98.25	+0.05	97.30	—

Business done—Wheat: Jan 110.75-10.70, March 114.10-4.05, May 117.50-7.45, July untraded, Sept 98.25 only. Sales: 332 lots of 100 tonnes. Barley: Jan 111.10-10.80, March 114.10-3.90, May 116.45-6.35, Sept untraded. Sales: 207 lots of 100 tonnes.

LONDON GRAINS—Wheat: U.S. Dark northern Spring No. 1 15 per cent Dec-Jan 158.85, Jan 161.55, Feb 164.05 transhipment East Coast. U.S. No. 2 Soft Red Winter Dec 151, Jan 148.45, Feb 149.75. English Feed fob Dec 110.50 paid Boston, Jan-March 113.50 seller. Maize: U.S. No. 3 Yellow/French transhipment East Coast second half Nov-second half Dec 145 quoted. Barley: English feed fob Dec 113.50 Gunness. Rest unquoted.

HGCA—Locational ex-farm spot prices. Feed barley: E. Mids. 107.50, N. East 109.90. The UK monetary coefficient for the week beginning Monday, December 3, is expected to remain unchanged.

PIGMEAT

Prices eased slightly in very thin volume because of weaker physical prices and some light speculative selling, reports CCST Commodities.

Month	Yesterdays close	Previous close	Business done
	p. per kilo (deadweight)		
Feb.	116.50	116.70	116.60-16.50
April	115.30	115.60	115.40-15.30
June	110.80	111.00	110.80
Aug	108.70	108.90	108.50
Oct	113.20	113.40	113.50
Nov.	114.20	114.20	—

Sales: 32 (23) lots of 50 carcases, 3,250 kilograms.

POTATOES

The spot November position fell sharply in early dealings before renewed support on thin interest moved the price up again and strong support towards the close erased the loss. Forward positions were quiet, easing lower, reports Coley and Harper.

Month	Yesterdy's close	Previous close	Business Done
	£ per tonne		
Nov.	79.00	79.50	80.80-85.00
Feb.	50.60	51.50	51.80-50.50
April	56.40	57.40	57.00-56.10
May	58.80	58.60	58.60-58.30
Nov.	66.00	67.00	—

Sales: 311 (314) lots of 40 tonnes.

OIL

Most inquiries in the spot crude market were for short-covering or from traders wanting to exchange supplies between months. The light crude contract on Nymex for January traded 10c up on Tuesday's close at midday. Plentiful supplies and low demand remain the dominant factors on the refined products market. Gas oil prices rose in response to higher Nymex markets. Heavy fuel prices strengthened on demand for early December supplies—Petroleum Argus.

SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arab Light	27.45 27.70	+0.125
Arab Heavy	26.20-26.30	—0.10
Dubai	26.55-26.65	+0.05
Brent Blend	27.15-27.25	+0.20
W.T.I. (1pm est)	27.45 27.50*	—0.375
Forcados (Nigeria)	27.30-27.40	+0.05
Urals	27.20-27.30	—
PRODUCTS—North West Europe "cif" ($ per tonne)		
Premium gasoline	247-249	—
Gas Oil	224-225	+3.5
Heavy fuel oil	182-184	+1.0

* Jan

Petroleum Argus Estimates

GAS OIL FUTURES

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
Nov.	225.75	+4.25	224.75-23.50
Dec.	228.00	+3.75	228.50 28.00
Jan	229.25	+3.75	229.75-27.00
Feb.	229.25	+4.00	229.75-28.25
March	225.00	+3.50	226.00-25.50
April	222.00	+3.25	222.00-20.00
May	220.75	+1.25	219.00-

Turnover: 3,695 (4,451) lots of 100 tonnes.

SOYABEAN MEAL

The market opened unchanged, reports T. G. Roddick. During the afternoon prices eased slightly.

	Yesterday close	+ or —	Business Done
	£ per tonne		
Dec.	140.5-144.0	—	141.5
Feb.	141.5-141.7	—0.05	142.5-141.5
April	143.5-144.4	—0.55	144.4-144.1
June	145.2 145.5	—0.40	145.5-145.5
August	148.2-148.7	—0.25	—
October	148.5-151.0	—1.5	—
Dec.	150.5-153.0	—0.7	—

Sales: 220 (330) lots of 20 tonnes, 20 (0) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar $111.50 (£92.50), up $5.50 (up £4.50) a tonne for November-December-January delivery. White sugar: $156.00, up $2.00.

The market lacked buying interest at the higher levels and prices began to ease. Losses of about $2 were recorded following a weak New York opening but half of the losses were soon recovered, reports C. Czarnikow.

No.6 Con-tract	Yest'day's close	Previous close	Business done
	$ per tonne		
Dec.	124.0-125.0	128.0-128.8	127.0-125.4
Mar.	144.6-144.0	146.0-146.2	146.4-142.8
May	152.0-152.4	155.6-155.5	155.5-149.4
Aug.	161.8-162.2	165.0-165.4	162.5-160.8
Oct	170.0-170.2	171.0-171.5	171.0-168.0
Dec.	177.0-177.8	177.4-179.0	178.0-174.8
Mar.	191.6-192.8	191.8-193.8	—

Sales: 3,375 (3,667) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis sugar was £200.50 (£195.00) a tonne for export.

International Sugar Agreement—(U.S. cents per pound fob and stowed Caribbean ports). Prices for November 27: Daily price 3.86 (3.89*); 15-day average 4.31 (4.37). * Corrected.

U.S. MARKETS

Precious metals were mixed as gold followed the currencies on the upside but silver declined sharply on fears of a further slow-down in the U.S. economy, reports Heinold Commodities. Copper came under aggressive long liquidation and technical selling after lower levels failed to generate any active buying interest. Aluminium prices declined moderately as user interest was more than offset by arbitrage selling. Sugar prices rallied on trade support and on reports of impending Soviet purchases and more than recovered all the early losses. Cocoa came under light selling pressure from local traders based on currency considerations. Coffee was unchanged to higher on light speculative buying. Heating oil moved higher on reports of alleged production cutbacks by Norway, the force majeure declaration by the USSR and expectations of a further drawdown in distillate stocks which was announced after the close. Soyabeans had a spectacular rally on the close as local traders were forced to cover their short positions.

NEW YORK

ALUMINIUM 40,000 lb, cents/lb

	Close	High	Low	Prev
Dec	50.40	50.85	50.30	50.65
Jan	50.85	51.25	51.25	51.10
March	51.80	52.30	51.55	52.05
May	52.75	53.00	52.85	53.00
July	53.70	54.10	53.80	53.95
Sept	54.65	55.00	54.75	54.90
Dec	56.10	—	—	56.35
Jan	56.60	—	—	56.85
March	57.60	—	—	57.85

COCOA 10 tonnes, $/tonnes

	Latest	High	Low	Prev
Dec	2220	2230	2210	2227
March	2084	2088	2068	2078
May	2084	2084	2070	2080
July	2075	2080	2070	2079
Sept	2090	2095	2090	2091
Dec	2050	2050	2046	2046
March	2065	2065	2065	2048

COFFEE "C" 37,000 lb, cents/lb

	Close	High	Low	Prev
Dec	139.83	39.85	38.30	39.26
March	136.93	37.10	35.51	36.36
May	135.92	36.00	34.60	35.30
July	134.90	34.75	33.70	34.35
Sept	133.25	33.50	32.60	33.00
Dec	131.48	—	—	31.51
March	130.77	—	—	30.78

COPPER 25,000 lb, cents/lb

	Close	High	Low	Prev
Dec	56.90	58.65	56.70	58.15
Jan	57.35	58.70	58.50	58.65
March	58.20	60.15	58.10	59.70
May	59.15	61.15	59.10	60.65
July	60.10	62.05	60.20	61.60
Sept	61.00	63.00	61.05	62.55
Dec	62.35	64.60	62.50	63.95
Jan	62.80	—	—	64.40
March	63.75	65.40	64.90	65.35

COTTON 50,000 lb, cents/lb

	Close	High	Low	Prev
Dec	65.16	65.25	64.65	64.90
March	65.87	65.90	65.26	66.70
May	66.93	66.99	66.55	66.90
July	67.90	67.94	67.72	67.95
Oct	67.90	68.05	68.05	67.88
Dec	68.25	68.25	68.00	68.15
March	69.55	69.56	69.55	69.55
May	69.75	—	—	69.60

CRUDE OIL (LIGHT) 42,000 U.S. gallons, $/barrels

	Latest	High	Low	Prev
Jan	27.31	27.50	27.25	27.33
Feb	27.22	27.40	27.16	27.19
March	27.10	27.25	27.06	27.03
April	26.93	27.08	26.93	26.92
May	26.86	26.90	26.86	26.85
June	27.32	—	—	26.79
July	26.90	26.90	26.90	26.77
August	26.85	26.85	26.85	26.71
Sept	—	—	—	26.71
Oct	—	—	—	26.71

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
Dec	330.8	333.5	327.5	327.4
Jan	333.2	333.0	331.8	329.8
Feb	335.6	336.7	332.1	332.1
April	40.4	343.0	337.0	336.8
June	345.7	346.5	342.0	342.0
August	351.1	351.2	348.2	347.3
Oct	356.7	356.0	354.0	352.8
Dec	362.7	363.5	358.5	358.7
Feb	369.1	367.0	366.0	365.0
April	375.6	375.3	375.3	371.4
June	382.7	380.5	380.5	378.4
August	390.1	—	—	385.7

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

	Latest	High	Low	Prev
Dec	76.25	76.35	75.20	75.53
Jan	76.60	77.60	76.50	76.95
Feb	76.90	77.70	76.80	76.94
March	74.20	74.80	74.15	73.95
April	71.55	71.90	71.35	71.08
May	70.70	71.15	70.85	69.95
June	70.70	70.00	70.00	69.50
July	70.20	—	—	68.50
August	70.30	—	—	68.50
Sept	70.40	—	—	68.50

ORANGE JUICE 15,000 lb, cents/lb

	Close	High	Low	Prev
Jan	169.25	70.35	69.05	70.35
March	170.50	71.55	70.50	71.15
May	170.40	71.00	70.20	70.55
Sept	167.50	68.40	68.10	68.50
Nov	166.00	66.50	66.00	66.50
Jan	165.50	—	—	66.25
March	165.50	65.40	65.40	66.25

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
Jan	317.6	321.0	316.5	418.8
April	324.3	328.0	323.5	325.5
July	331.1	333.0	331.0	332.3
Oct	338.2	340.5	338.0	339.4
Jan	345.5	347.0	347.0	346.7

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
Dec	708.0	719.0	695.0	712.0
Jan	713.4	719.0	712.0	717.4
March	724.3	736.0	712.0	728.4
May	735.7	746.0	722.0	739.7
July	747.4	769.0	738.0	751.4
Sept	760.1	765.0	756.5	764.3
Dec	780.3	792.0	775.0	785.0
Jan	787.2	798.0	788.0	792.0
March	801.0	805.0	799.0	806.0

SUGAR WORLD "1" 112,000 lb, cents/lb

	Close	High	Low	Prev
Jan	4.79	4.70	4.58	4.80
March	5.41	5.43	5.19	5.39
May	5.71	5.76	5.53	5.73
July	5.99	6.04	5.83	6.04
Sept	6.25	6.25	6.24	6.29
Oct	6.43	6.50	6.29	6.50
Jan	6.85	6.85	6.85	6.93
March	7.42	7.34	7.31	7.49

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

	Close	High	Low	Prev
Dec	67.22	67.62	67.05	67.00
Feb	66.07	66.65	65.95	66.27
April	67.75	68.17	67.55	67.85
June	67.47	67.85	67.35	67.60
August	65.50	65.77	65.25	65.65
Oct	63.32	63.50	63.25	63.45
Dec	64.50	64.80	64.30	64.65

LIVE HOGS 30,000 lb, cents/lb

	Close	High	Low	Prev
Dec	52.85	52.90	52.40	52.60
Feb	53.35	53.40	52.80	52.87
April	49.42	49.50	48.95	48.95
June	53.05	53.05	52.55	52.60
July	52.42	53.75	53.20	53.25
August	50.70	50.80	50.55	50.55
Oct	48.05	48.35	47.55	48.02
Dec	48.90	48.82	48.75	48.75
Feb	48.70	48.70	48.70	48.60

MAIZE 5,000 bu min, cents/56-lb bushel

	Close	High	Low	Prev
Dec	267.0	267.4	266.0	266.2
March	279.4	279.6	277.6	277.4
May	286.4	287.0	285.0	284.4
July	290.6	291.0	288.6	288.6
Sept	287.0	287.0	285.0	285.0
Dec	284.2	284.2	281.6	282.2
March	293.2	293.2	291.2	291.4

PORK BELLIES 38,000 lb, cents/lb

	Close	High	Low	Prev
Feb	73.97	74.15	72.05	72.15
March	73.55	73.60	72.12	72.15
May	74.65	74.80	73.30	73.32
July	75.32	75.40	73.75	73.95
August	72.90	72.90	72.15	71.60
Feb	75.25	75.25	73.60	74.40
March	74.90	74.90	73.25	74.05

SOYABEANS 5,000 bu min, cents/60-lb bushel

	Close	High	Low	Prev
Jan	602.4	605.0	593.4	594.6
March	617.4	620.0	608.4	609.4
May	631.4	633.4	623.0	624.6
July	643.0	644.4	634.2	635.6
August	643.0	644.4	635.4	636.0
Sept	632.0	634.0	626.0	626.6
Nov	631.2	633.0	624.0	626.2
Jan	646.4	648.4	640.0	642.0

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
Dec	149.6	150.0	148.1	148.4
Jan	152.9	153.3	151.5	151.6
March	159.1	159.5	157.7	157.8
May	164.4	165.0	163.2	163.6
July	169.6	169.9	168.5	168.7
August	171.3	172.0	170.5	170.3
Sept	173.2	173.5	172.5	172.0
Oct	173.0	174.5	173.0	172.1
Dec	174.0	175.0	174.0	174.0

SOYABEAN OIL 60,000 lb, cents/lb

	Close	High	Low	Prev
Dec	27.00	27.30	26.28	26.62
Jan	25.72	25.85	25.06	25.26
March	24.73	25.00	24.10	24.34
May	24.40	24.60	23.78	24.05
July	24.08	24.50	23.66	23.83
August	23.85	24.30	23.60	23.66
Sept	23.75	23.85	23.60	23.65
Oct	23.65	24.00	23.40	23.50
Dec	23.50	23.70	23.30	23.40

WHEAT 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Prev
Dec	356.0	357.4	354.0	356.6
March	355.6	356.2	353.4	355.6
May	349.6	351.2	348.0	350.2
July	339.2	341.6	339.0	339.6
Sept	344.2	344.6	343.4	344.4
Dec	355.0	—	—	355.4

SPOT PRICES — Chicago loose lard 27.50 (27.00) cents per pound. New York tin 538.0-47.0 (540.0-47.0) cents per pound. Hardy and Harman silver bullion 709.50 (735.50) cents per pound.

OTHER MARKETS

ROTTERDAM

WHEAT—(U.S. $ per tonne): U.S. No. 2 Soft Red Winter Dec 164.50, Jan 162.50, Feb 163, March 163.50. U.S. No. 2 Northern Spring 14 per cent protein Dec quoted 175, mid Dec-mid Jan 177, Jan 179, Feb 182, March 186, April-May 177. U.S. Northern Spring 15 per cent protein Dec 186, April-May 190. U.S. No. 3 Hard Amber Durum Dec 195, Jan 202, Feb 204, March 205, April-May 192, June 193, Sept 192. Canadian No. 1 Western Amber Durum spot 216, April-May 207.

MAIZE—(U.S. $ per tonne): U.S. No. 3 Yellow Dec 130, Jan 132, Feb 133.50, March 134, Jan-March 132, April-June 135 sellers. Argentine Plate April-June 136 sellers.

SOYABEANS—(U.S. $ per tonne): U.S. No. 2 Yellow Gulfports Dec 241.50, Jan 241, Feb 244.25, March 246.50, April 250, May 252, June 254 sellers.

SOYAMEAL—(U.S. $ per tonne): 44 per cent afloat 180, Nov 170-173, Dec 166.50-169.50, Jan 169, Jan-March 170-169.50 traded. Pellets Brazil Dec 184, Jan 188, Jan-March 188, April-Sept 188 sellers. Pellets Argentine Dec 176, Jan 175, Jan-March 178, May-Oct 184 sellers.

PARIS

SUGAR—(FFr per tonne): March 1482/1484, May 1528/1532, Aug 1615/1621, Oct 1675/1682, Dec 1730/1757, March 1852/1876.

COCOA—(FFr per 100 kg): Dec 2050/2105, March 2060/2063, May 2060 bid, July 2061 bid, Sept 2070 bid, Dec 2060 ask, March 2050 ask.

RUBBER

PHYSICALS—The London market opened slightly steadier, attracted some covering interest throughout the day and closed uncertain, reports Lewis and Peat. Closing prices (buyers): spot 59.00p (58.50p); Jan 71.50p (71.00p); Feb 72.25p (71.75p). The Kuala Lumpur Dec fob price for RSS No. 1 was 190.0 (189.0) a kg and for SMR 20 was 184.0 (183.0).

COTTON

LIVERPOOL—Spot and shipment sales amounted to 110 tonnes. Fair operations continued with attention again centred on Russian and Turkish supplies. Certain African qualities were wanted and demand was about in forward styles.

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar below best levels

The dollar moved nervously in late foreign exchange trading, finishing firmer on the day, but well below its best levels against members of the European Monetary System, unchanged against the Japanese yen, and weaker in terms of the Swiss franc. The market was worried by rumours of late intervention by the German Bundesbank, and this may have also encouraged a sudden demand for the Swiss franc.

A level of DM 3.07 had been regarded as a target point for the dollar since the beginning of the week and this level was breached in early European trading, but dealers remained reluctant to push the dollar ahead too quickly, becoming long of the U.S. currency, and then finding themselves punished by aggressive Bundesbank intervention.

A very large U.S. October trade deficit was expected, and a sharp fall in leading indicators is anticipated today, but the slowdown in economic growth has already been discounted.

Dollar strength reflects expectations that European interest rate will decline in line with recent falls in U.S. rates, although the Bundesbank seems likely to refrain from cutting its discount or Lombard rates at today's council meeting.

In a confused final period of European trading the dollar rose to DM 3.07 from DM 3.0560; and FFr 9.40 from FFr 9.3550, finished unchanged at Y245.40, and fell to SwFr 2.52 from SwFr 2.5230.

On Bank of England figures the dollar's index rose to 142.4 from 141.7.

STERLING — Trading range against the dollar in 1984 is 1.4905 to 1.1875. October average 1.2207. Exchange rate index fell 0.4 to 74.2, compared with 79.4 six months ago. It opened at 74.2, and touched a low of 74.1 at noon, rising to a high of 74.5 at 3 pm.

Sterling was volatile within a fairly narrow range, losing ground for most of the day, but rising quite sharply in late trading to finish firmed on the day against most European currencies and the yen. The pound's immediate prospects may, to some extent, depend on a movement of funds from disappointed British Telecom applicants, while sterling is also nervous on oil price considerations and the prospects of talks resuming to settle the pit strike. The pound fell 30 points to $1.2050-1.2060, and also weakened to SwFr 3.04 from SwFr 3.0475, but rose to DM 3.70 from DM 3.6925, and FFr 11.3675 from FFr 11.30.

D-MARK — Trading range against the dollar in 1984 is 3.1410 to 2.5535. October average 3.0676. Trade-weighted index 120.9 against 125.8 six months ago.

The D-mark weakened against most currencies at the Frankfurt fixing. The dollar rose to its highest fixing level since October 22 at DM 3.0768 compared with DM 3.0535. There was no sign of intervention by the Bundesbank on the open market in the morning, and the dollar continued to rise to above the DM 3.08 level in the afternoon, but the central bank did sell $51.5m at the fixing. The U.S. currency opened at DM 3.0670, and moved higher in contrast to interest rate trends, following the recent cuts in U.S. banks' prime lending rates, and a fall in Eurodollar rates. Dealers reported that the dollar is backed by continued strong commercial demand, but there was considerable nervousness about possible Bundesbank intervention on a large scale. Sterling fell to DM 3.6770 from DM 3.6870 at the fixing.

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rates	Currency amounts against Ecu November 28	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9008	44.9101	+0.02	+0.34	±1.5428
Danish Krone ...	8.14104	8.02778	−1.39	−1.07	±1.6421
German D-Mark	2.24184	2.23056	−0.50	−0.18	±1.1463
French Franc ...	6.87456	6.83044	−0.64	−0.32	±1.3659
Dutch Guilder...	2.52595	2.51626	−0.38	−0.06	±1.5165
Irish Punt	0.72569	0.717387	−1.14	−0.82	±1.6671
Italian Lira	1403.49	1384.09	−1.38	−1.38	±4.0511

Changes are for Ecu, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

STERLING EXCHANGE RATE INDEX

	Nov 28	Previous
8.30 am	74.2	74.2
9.00 am	74.3	74.3
10.00 am	74.3	74.2
11.00 am	74.3	74.2
Noon	74.1	74.5
1.00 pm	74.2	74.5
2.00 pm	74.2	74.5
3.00 pm	74.5	74.5
4.00 pm	74.2	74.6

£ in New York

	November 28	Prev. close
£ Spot	$1.1985-1.1995	$1.995-2005
1 month	0.09½-0.08pm	0.10-0.09 pm
3 months	0.13-0.09 pm	0.11-0.10 pm
12 months	0.25-0.35 dis	0.84-0.32 dis

Forward premiums and discounts apply to the U.S. dollar.

POUND SPOT—FORWARD AGAINST POUND

Nov 28	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.1925-1.2080	1.2050-1.2060	0.11-0.08c pm	0.95	0.15-0.11 pm	0.43
Canada	1.5820-1.5920	1.5905-1.5915	0.17-0.25c dis	−1.62	0.40-0.52dis	−1.16
Nethlnd.	4.14-4.18¼	4.16¾-4.18¾	1¾-1⅝c pm	[illegible]	[illegible]	[illegible]
Belgium	73.89-74.80	74.70-74.80	2-7c dis	−0.72	[illegible]	−0.72
Denmark	13.22-13.33¾	13.31¼-13.32¼	[illegible]	[illegible]	[illegible]	[illegible]
Ireland	1.1820-1.1880	1.1862-1.1872	[illegible]	[illegible]	[illegible]	[illegible]
W. Ger.	3.67-3.70¾	3.69¾-3.70¾	1¼-1pf pm	4.46	3¾-3½ pm	3.92
Portugal	195.80-199.75	198.50-199.70	190-530c dis	−24.50	570-1720dis	−23.09
Spain	205.50-206.60	205.90-206.10	30-50c dis	−2.33	130-150 dis	−2.72
Italy	2,268-2,300¾	2,299¼-2,300¼	8-11 lire dis	−4.96	25-32 dis	−4.96
Norway	10.65-10.73¾	10.72¼-10.73¼	2¾-3¾ore dis	−3.28	[illegible]	[illegible]
France	11.24½-11.37¼	11.36¼-11.37¼	[illegible]	[illegible]	[illegible]	[illegible]
Sweden	10.46-10.57¾	10.56¼-10.57¼	[illegible]	[illegible]	[illegible]	[illegible]
Japan	293-298½	295¼-296¼	[illegible]	3.38	[illegible]	3.12
Austria	25.85-26.10	25.95-26.05	[illegible]	[illegible]	[illegible]	[illegible]
Switz.	3.01¾-3.04¾	3.03¾-3.04¾	[illegible]	4.93	[illegible]	4.28

Belgian rate is for convertible francs. Financial franc 75.10-75.25. Six-month forward dollar 0.16-0.11c pm, 12-month 0.18-0.33 c dis.

DOLLAR SPOT—FORWARD AGAINST DOLLAR

Nov 28	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.1925-1.2080	1.2050-1.2060	0.11-0.08c pm	0.95	0.15-0.11 pm	0.43
Ireland†	1.0085-1.0150	1.0136-1.0150	0.56-0.50c pm	6.30	1.45-1.35 pm	5.55
Canada	1.3133-1.3245	1.3226-1.3243	0.25-0.28c dis	−2.40	0.48-0.53dis	−1.53
Nethlnd.	3.4595-3.4795	3.4595-3.4605	0.95-0.92c pm	3.23	2.89-2.86 pm	3.31
Belgium	61.60-62.10	61.90-61.70	7-9c dis	−1.62	17-20 dis	−1.21
Denmark	[illegible]	[illegible]	[illegible]	−2.70	[illegible]	−1.98
W. Ger.	3.0600-3.0845	3.0685-3.0705	0.92-0.87pf pm	3.49	2.73-2.68 pm	3.51
Portugal	164-166	[illegible]	[illegible]	[illegible]	[illegible]	−23.64
Spain	171.35-172.40	171.50-172.00	[illegible]	[illegible]	[illegible]	−3.31
Italy	[illegible]	[illegible]	[illegible]	−5.86	[illegible]	−5.51
Norway	[illegible]	[illegible]	[illegible]	−4.17	[illegible]	−3.79
France	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	−1.72
Sweden	[illegible]	[illegible]	[illegible]	−3.07	[illegible]	−2.50
Japan	245.05-246.05	245.35-245.45	[illegible]	2.54	[illegible]	2.79
Austria	21.49-21.69	[illegible]	[illegible]	1.36	[illegible]	1.57
Switz.	2.5075-2.5350	2.5195-2.5205	[illegible]	4.17	[illegible]	4.01

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 62.30-62.40.

OTHER CURRENCIES

Nov. 28	£	$		£ Note Rates
Argentina Peso	1.7567-1.7614	146.50-146.60	Austria	25.85-26.15
Australia Dollar	1.3960-1.3980	1.1645-1.1650	Belgium	74.85-75.05
Brazil Cruzeiro	[illegible]	[illegible]	Denmark	[illegible]
Finland Markka	7.6764-7.6948	6.4110-6.4130	France	11.25-11.36
Greek Drachma	[illegible]	[illegible]	Germany	3.67-3.71
Hong Kong Dollar	9.3500-9.3700	7.8265-7.8285	Italy	2270-2300
Iran Rial	111.45*	[illegible]	Japan	292-297
Kuwait Dinar(KD)	[illegible]	[illegible]	Netherlands	4.14-4.18
Luxembourg Fr	74.70-74.80	61.60-61.70	Norway	10.64-10.75
Malaysia Dollar	[illegible]	[illegible]	Portugal	[illegible]
New Zealand Dlr	[illegible]	[illegible]	Spain	[illegible]
Saudi Arab. Riyal	[illegible]	[illegible]	Sweden	10.47-10.58
Singapore Dollar	[illegible]	[illegible]	Switzerland	[illegible]
Sth African Rand	[illegible]	[illegible]	United States	[illegible]
U.A.E. Dirham	[illegible]	3.6720-3.6750	Yugoslavia	[illegible]

* Selling rates.

CURRENCY MOVEMENTS

Nov 28	Bank of England Index	Morgan Guaranty Changes
Sterling	74.2	−15.9
U.S. dollar	142.4	+28.5
Canadian dollar	89.8	−5.7
Austrian schilling	110.8	+5.0
Belgian franc	86.6	−10.5
Danish Kroner	75.6	−8.0
Deutsche mark	120.9	+6.3
Swiss franc	140.7	+10.5
Guilder	110.8	+3.2
French franc	64.0	−15.2
Lira	46.5	−14.5
Yen	157.1	+12.5

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (base average 1975=100).

CURRENCY RATES

Nov. 28	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.828835	0.604505
U.S. $	8½	0.991370	0.724661
Canadian $	[illegible]	[illegible]	0.959847
Austria Sch.	4½	21.4275	15.6650
Belgian Fr.	11	51.3021	44.9101
Danish Kr.	7	10.9745	8.02778
Dmark	4½	3.05085	2.23056
Guilder	5	3.44501	2.51626
French Fr.	9½	[illegible]	6.83044
Lira	16½	1894.11	1384.09
Yen	5	243.431	177.902
Norwgn Kr.	8	[illegible]	6.45838
Spanish Pta.	—	170.615	124.711
Swedish Kr.	9½	[illegible]	6.35020
Swiss Fr.	4	[illegible]	1.83314
Greek Drch.	20½	[illegible]	[illegible]
Irish Punt	14¾	[illegible]	0.717387

* CS/SDR rate for Nov 28: 1.31081.

EXCHANGE CROSS RATES

Nov. 28	Pound St'rling	U.S. Dollar	Deutsche m'k	J'panese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Fran.
Pound Sterling	1.	1.206	3.700	295.8	11.30	3.040	4.190	2300.	1.591	74.75
U.S. Dollar	0.830	1.	3.070	245.4	9.400	2.520	3.460	1900.	1.320	61.65
Deutschemark	0.270	0.326	1.	79.93	3.072	0.822	1.132	621.6	0.430	20.20
Japanese Yen 1,000	3.381	4.076	12.51	1000.	38.44	10.28	14.17	7777.	5.380	252.7
French Franc 10	0.880	1.060	3.255	260.2	10.	2.674	3.686	2023.	1.400	65.76
Swiss Franc	0.329	0.397	1.217	97.29	3.739	1.	1.378	756.6	0.523	24.59
Dutch Guilder	0.239	0.288	0.883	70.58	2.713	0.726	1.	548.9	0.380	17.84
Italian Lira 1,000	0.435	0.524	1.609	128.6	4.942	1.323	1.822	1000.	0.692	32.50
Canadian Dollar	0.629	0.758	2.326	185.9	7.145	1.911	2.634	[illegible]	1.	46.98
Belgian Franc 100	1.338	1.613	4.950	395.7	15.21	4.067	5.603	3077.	2.128	100.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Nov. 28	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Krone
Short term	9⅛-9¼	8⅝-8¾	11¼-11⅝	5½-5⅝	¾-1	5⅜-5½	10¾-10⅞	14½-15½	10¼-10¾	10⅝-10⅞	6⅛-6¼	11¼-11¾
7 days' notice	9⅝-9¾	8¾-8⅞	11¼-11⅝	5½-5⅝	11¼-11½	5⅜-5½	10¼-10⅞	13⅝-14⅝	10¼-10¾	10⅝-10⅞	6⅜-6½	11⅝-12⅛
Month	9⅝-9¾	8⅝-8⅞	10½-11	5¾-5⅞	4⅜-4½	5⅜-5½	10⅜-10¾	14½-15	10¼-10¾	10½-10¾	6⅜-6½	11½-12
Three months	9½-9⅝	9-9⅛	10½-10⅝	5¾-5⅞	5-5⅛	5⅜-5½	10⅞-11	14⅝-15⅛	10¼-10¾	10½-10¾	6⅜-6½	11½-11⅝
Six months	9⅞-9⅞	9⅛-9¼	10⅝-10¾	5½-5⅝	4⅞-5	5⅝-5¾	11⅛-11¼	14⅞-15¼	10¼-10¾	10½-10¾	6⅜-6½	11⅝-11¾
One year	10-10⅛	10-10⅛	10⅝-10⅞	5½-6	4⅞-5	5½-5⅝	11¾-11⅞	14¾-15⅛	10⅜-10⅞	10⅛-10¾	6⅜-6½	11¼-11¾

Asian $ (closing rates in Singapore): Short-term 8 11/16-8 15/16 per cent; seven days 8 13/16-8 15/16 per cent; one month 8 13/16-8 15/16 per cent; three months 9½-9¾ per cent; six months 9 7/16-9 9/16 per cent; one year 10-10⅛ per cent. Long-term Eurodollars: two years 11¼-11½ per cent; three years 11½-11¾ per cent; four years 11¾-11⅞ per cent; five years 11⅞-12⅛ per cent nominal rates. Short-term rates are call for U.S. dollars and Japanese yen; others two days' notice.

MONEY MARKETS

British Telecom upsets money flow

Short term liquidity showed signs of disarray in the London money market yesterday as clearing banks were faced with processing applications for British Telecom, the largest share issue ever. Oversubscription by a substantial amount left excess funds "in limbo" and the Bank of England's over assistance was only partially successful in accommodating the markets' day to day requirements.

Overnight interbank money peaked at 10 per cent and then slipped to 5 per cent before finishing around 7 per cent. Three-month interbank money was unchanged at 9⅞-9⅞ per cent as were three-month eligible bank bills bid at 9 3/32 per cent. Longer term rates were slightly firmer in places, reflecting sterling's weaker trend.

The Bank forecast a shortage of around £600m with factors affecting the market including maturing assistance and a take up of Treasury bills together draining £312m and the unwinding of previous sale and repurchase agreements a further £677m. There was also a rise in the note circulation of £110m. These were partly offset by Exchequer transactions.

To help alleviate the shortage the Bank offered an early round of assistance totalling £498m and comprising purchases of £39m of eligible bank bills in band 1 (up to 14 days) at 9½ per cent and £119m in band 2 (15-33 days) at 9⅜ per cent. In band 3 (34-63 days) it bought £40m of local authority bills and £171m of eligible bank bills all at 9¼ per cent and in band 4 (64-91 days) £5m of local authority bills and £124m of eligible bank bills all at 9⅛ per cent.

The forecast was later revised to a shortage of around £650m before taking into account the early help and the Bank gave further assistance in the morning of £140m comprising purchases of £18m of eligible bank bills in band 2 at 9⅜ per cent and £38m in band 3 at 9¼ per cent. In band 4 it bought £84m of eligible bank bills at 9⅛ per cent. Assistance in the afternoon was made up of purchases of £32m of eligible bank bills in band 2 at 9⅜ per cent and £46m in band 3 at 9¼ per cent. It also provided late assistance of £130m, making a total of £846m.

UK clearing banks' base lending rate 9½-9¾ per cent since November 23.

MONEY RATES

Nov. 28	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight	5.45-5.55	11	11¼-11¾	5⅜-5½	6.15625	16⅞-17¼	7.65	13¾-14
One month	5.40-5.55	10¾-10⅞	4⅜-4½	5½-5⅝	6.46875	17-17⅛	10⅝-10⅞	14⅛-14⅝
Two months	5.75-5.90	10⅝-10¾	—	—	—	—	—	14¼-14½
Three months	5.70-5.85	10⅝ 10¾	5 1/16-5 3/16	5¾-5⅞	6.34375	17⅛-17½	10½-10¾	14⅝-14⅝
Six months	5.70-5.85	10½-10⅝	—	5⅞-6	—	—	10½ 10¾	14½-14¾
Lombard	5.5	—	—	—	—	—	—	—
Intervention	—	10¾	—	5¾	—	—	—	—

LONDON MONEY RATES — Discount Houses Deposit and Bill Rates

Nov. 28 1984	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	5-10	9¼-9½	9¼-9⅞	5 9½	—	—	—	—	—
2 days notice	—	—	9½	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	9⅛-9⅜	9⅛	9⅞	9⅛	—	—	—	—	—
One month	9¾-9⅝	9¾-9⅞	9¾	9⅞-10	9½	9 13/32	9⅜	9 15/32	9⅜	10 1/32
Two months	9¾-9⅝	9⅞-10 1/16	9¾	10	9⅜	9 9/32	9¼	9 13/32	9¼	9 25/32
Three months	9¾-9⅝	9¾-9⅞	9⅞	10	9¼	9 3/16	9	9 5/32	9⅛	9 23/32
Six months	9¾-9⅝	9⅞-10 1/16	9⅞	—	—	—	—	9 3/32	9⅛-9 3/16	9 21/32
Nine months	9 27/32-9 29/32	9 15/16-10 1/16	—	—	—	—	—	—	—	—
One year	9 29/32-9 31/32	10-10⅛	10	—	—	—	—	—	—	—

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Cert of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	10¼ 9⅞	—	9¾	8.8-8.9	8⅛-8⅝	9⅛ 9 1/16
Two months	10¼ 9⅞	—	9⅞	8.85 8.95	8 7/16-8 9/16	9 1/16 9½
Three months	10¼ 9⅞	—	9⅞	8.8-9.0	8⅝-8⅝	9 5/16-9½
Six months	10⅛-9¾	—	10	8.5-9.4	8 11/16-8 13/16	9 7/16-9⅝
Nine months	10¼-9⅞	—	10 1/16	9.4 9.8	—	—
One year	10¼ 9⅞	—	10 1/16	8.7-8.9	8 15/16-9 1/16	9 13/16 00
Two years	—	10⅜	—	—	—	—
Three years	—	10¾	—	—	—	—
Four years	—	10⅞	—	—	—	—
Five years	—	11	—	—	—	—

ECGD Fixed Rate Export Finance IV: Average Rate of Interest period October 3 to November 6 1984 (inclusive): 10.616 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rate (published by the Finance Houses Association): 11 per cent from November 1 1984. London and Scottish Clearing Bank Rates for lending 9½-9¾ per cent. London Deposit Rates for sums at seven days' notice 6-6¼ per cent. Treasury Bills: Average tender rates of discount 9.0065 per cent. Certificates of Tax Deposit (Series 6): Deposit £100,000 and over held under one month 9¾ per cent; one-three months 9¾ per cent; three-six months 8¾ per cent; six-nine months 10 per cent; nine-12 months 10 per cent. Under £100,000 9½ per cent from November 7. Deposits held under Series 5 10 per cent. The rate for all deposits withdrawn for cash 7 per cent.

FT LONDON INTERBANK FIXING

(11.00 a.m. November 28)

3 months U.S. dollars	
bid 9	offer 9 1/4
6 months U.S. dollars	
bid 9 3/8	offer 9 5/8

The fixing rates are the arithmetic means, rounded to the nearest one sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK (Lunchtime)

Prime rate	11¼-11¾
Broker loan rate	9¾-10¾
Fed funds	8 15/16
Fed funds at intervention	—

Treasury Bills

One month	7.50
Two month	8.25
Three month	8.38
Six month	8.54
One year	8.73

Treasury Bonds

Two year	100 1/16
Three year	101 1/32
Four year	101 15/16
Five year	106⅞
Seven year	104 15/16
10 year	101 21/32
30 year	103 13/32

FINANCIAL FUTURES

Little change

Most contracts showed little overall change in the London International Financial Futures Exchange yesterday. U.S. Treasury bond futures were confined to a narrow range in quiet trading but remained quite well supported on continued hopes of further reductions in U.S. interest rates. A lower Federal funds rate was also a bullish factor. However the manifestation of this sentiment in higher values failed to materialise, for despite the market's prevailing optimism there was still some concern that rates must ultimately find a "bottom level."

Some inspiration may be gleaned from today's release of U.S. leading economic indicators, with early estimates in the market suggesting a slight downturn compared with a 0.4 per cent rise previously.

Sterling based instruments were left in a holding pattern as attention focussed primarily on the British Telecom share issue. The lack of attention resulted in a slightly weaker trend towards the close in comparatively thin trading.

Short sterling values were similarly affected and seemed to suffer a little more on account of sterling's weaker trend during the day. FT-SE prices were helped by a better tone in Wall Street while oil price fears were pushed a little further into the background. In addition the FT 30 share index finished at an all time high.

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
Dec	90.65	90.68	90.62	90.62
March	90.31	90.35	90.26	90.27
June	89.87	89.90	89.84	89.83
Sept	89.47	89.50	89.42	89.41
Dec	89.09	89.11	89.05	89.04

Est volume 3,805 (4,084)
Previous day's open int 10,994 (11,504)

THREE-MONTH STERLING £250,000 points of 100%

	Close	High	Low	Prev
Dec	90.24	90.26	90.24	90.27
March*	90.33	90.37	90.33	90.39
June*	90.22	90.26	90.22	90.27
Sept*	89.99	90.04	90.00	90.00
Dec*	89.70	89.75	89.70	89.76

Est volume 868 (564)
Previous day's open int 6,327 (6,352)
*£500,000 points of 100%

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

	Close	High	Low	Prev
Dec	109-07	109-15	109-05	109-12
March	108-17	108-23	108-15	108-21
June	108-02	108-03	108-02	108-03
Sept	110-28	110-29	110-28	111-03
Dec	—	—	—	108-08

Est volume 922 (2,387)
Previous day's open int 3,327 (3,372)
Basis quote (clean cash price of 13¼% Treasury 2003 less equivalent price of near futures contract) 02 to 10 (32nds)

STERLING £25,000 $ per £

	Close	High	Low	Prev
Dec	1.1966	1.1993	1.1956	1.2080
March	1.1956	1.2002	1.1945	1.2070
June	1.1961	—	—	1.2075

Est volume 74 (226)
Previous day's open int 6,071 (6,287)

DEUTSCHE MARKS DM 125,000 $ per DM

	Close	High	Low	Prev
Dec	0.3248	0.3257	0.3246	0.3275
March	0.3278	0.3288	0.3278	0.3307
June	—	—	—	0.3716

Est volume 41 (61)
Previous day's open int 345 (526)

SWISS FRANCS SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
Dec	0.3949	—	—	0.3989
March	0.3991	—	—	0.4013
June	—	—	—	0.4456

Est volume nil (7)
Previous day's open int 519 (526)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
Dec	0.4070	—	—	0.4079
March	0.4100	—	—	0.4109
June	—	—	—	0.4323

Est volume nil (116)
Previous day's open int 355 (362)

FT-SE 100 INDEX £25 per full index point

	Close	High	Low	Prev
Dec	118.50	119.10	118.25	118.53
March	118.80	—	—	118.60
June	119.10	—	—	118.80

Est volume 203 (263)
Previous day's open int 848 (866)

U.S. TREASURY BONDS 8% $100,000 32nds of 100%

	Close	High	Low	Prev
Dec	73-05	73-12	73-04	73-07
March	72-15	—	—	72-15

Est volume 1,659 (1,383)
Previous day's open int 1,984 (2,046)

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
Dec	73-04	73-12	73-04	73-07
March	72-15	72-21	72-14	72-17
June	71-27	72-01	71-26	71-29
Sept	71-09	71-15	71-09	71-11
Dec	70-26	70-31	70-26	70-28
March	—	—	—	70-15
June	70-03	70-06	70-03	70-03
Sept	—	—	—	69-25
Dec	—	—	—	69-18
March	—	—	—	69-07
June	—	—	—	68-31

U.S. TREASURY BILLS (IMM) $1m points of 100%

	Latest	High	Low	Prev
Dec	91.65	91.73	91.66	91.68
March	91.41	91.46	91.40	91.39
June	91.00	91.06	91.00	90.98
Sept	90.64	90.69	90.64	90.61
Dec	90.31	90.36	90.31	90.27
March	90.02	90.04	90.02	89.96
June	89.73	89.73	89.73	89.68
Sept	89.45	89.45	89.45	89.41

CERT. DEPOSIT (IMM) $1m points of 100%

	Latest	High	Low	Prev
Dec	91.04	91.06	91.03	90.98
March	90.67	90.71	90.67	90.61
June	90.22	90.24	90.22	90.17

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

	Latest	High	Low	Prev
Dec	90.65	90.69	90.64	90.58
March	90.29	90.34	90.28	90.23
June	89.83	89.88	89.83	89.77
Sept	89.42	89.46	89.42	89.36
Dec	89.04	89.08	89.04	88.98
March	88.72	88.73	88.72	88.64
June	—	88.41	—	88.32
Sept	—	88.11	—	88.02

STERLING (IMM) $e per £

	Latest	High	Low	Prev
Dec	1.1965	1.2030	1.1935	1.2015
March	1.1955	1.2015	1.1925	1.2005
June	1.2000	1.2000	1.1950	1.2010
Sept	1.980	—	1.1980	1.2020
Dec	—	—	—	1.2035

GNMA (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
Dec	69-24	69-27	69-23	69-23
March	69-01	69-05	68-31	69-00
June	68-19	68-19	68-19	68-16
Sept	—	—	—	68-03
Dec	67-26	67-28	67-26	67-23
March	—	—	—	—
June	—	—	—	67-50

INTERNATIONAL CAPITAL MARKETS

OVER-THE-COUNTER

Continued from Page 34

[illegible]

EUROBONDS

SEK launches Euroyen bond

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT, IN LONDON

SWEDISH Export Credit (SEK) has taken advantage of the liberalisation of Japan's financial markets to launch its first Euroyen bond, a Y12bn, seven-year issue led by Daiwa Europe and Nippon Credit International.

Terms on the paper were set yesterday to give a coupon of 6¾ per cent and issue price 99½. SEK has not been able to borrow in the Euroyen market before because it was reserved for pure sovereign credits which already had experience of issuing Samurai bonds in the domestic market.

Its new issue, however, attracted attention for two other reasons. Simultaneously SEK is arranging a Y10bn Samurai issue with an indicated yield of 6.9 to 7 per cent through Daiwa Securities, and terms on the deal had to be fine-tuned after some continental European banks expressed reservations about the low fees.

Pressure on fees in the face of competition for mandates has increased of late and in this case Daiwa wanted to price the issue at 99½ per cent with fees totalling 1¼. After objections, mostly from Swiss banks, the fees were raised to 1⅞ per cent and a new issue price was set of 99⅝.

The terms also show a disparity between the Euroyen and Samurai markets with the Eurobond offering a slightly lower yield. Bankers say they will be watching to see if this becomes a structural factor as the Euroyen market develops. At the moment the differential could simply reflect the novelty attraction of the growing Euroyen market.

The dollar sector was again quiet yesterday with only one new issue, although secondary market prices firmed by about ½ point on average. AMCA International, the Canadian diversified engineering concern, is issuing a $50m, 15-year bond at 99¾ through Orion Royal Bank. The coupon of 12¼ cent is to be reset after five years.

Today sees the auction of $700m in floating-rate notes by Sweden for which interest was already mounting yesterday, but the results will not be known before Friday. In pre-auction trading the paper was indicated at about 99.30 excluding the accompanying income rights.

BHF Bank bond average		
Nov 28 102.685		Previous 102.574
High 102.685	1984	Low 98.056

Bankers reported good investment demand from West Germany where new issue activity continues apace. Denmark's East Asiatic Company launched its first Eurobond, a DM 100m, seven-year, 7½ per cent private placement priced at par by lead manager Commerzbank. Fenosa, the privately owned Spanish utility, launched a DM 100m, seven-year, 7½ per cent public issue at par through WestLB. Linde's DM 150m issue with warrants meanwhile spurted to 105 from 102½ on Tuesday following gains in the share price.

Other new issues included a Y50bn Samurai bond for the World Bank with a 15-year maturity, 7 per cent coupon and par issue price. Lead manager is Nomura Securities.

Dunlop-Olympic of Australia launched a New Zealand $25m five-year, 15¾ per cent issue at par through Hambros Bank, while Spain is raising Fl 100m through a ten-year issue led by Amro with an indicated 8 per cent coupon.

Reuter adds: Credit Suisse will float a minimum SwFr 100m and maximum SwFr 150m bond on the domestic Swiss capital market. The coupon will be 5 per cent with a 10-year maturity and issue price of 99.95 per cent.

● The French Caisse Centrale de Co-opération Economique plans a FFr 1bn, 12-year fixed rate domestic bond issue.

Lead manager Société Générale said it would carry a 11.90 per cent coupon with an issue price of 99.52 per cent.

● An issuing consortium of West German banks is expected to set terms for a DM 2bn, 10-year Federal Government loan issue on December 3.

The domestic bond market issue will probably carry a 7½ per cent coupon.

Japanese financial barriers begin to fall, Page 24

Bank of Baroda to raise $50m facility

BY OUR EUROMARKETS CORRESPONDENT, IN LONDON

INDIA'S Bank of Baroda is raising $50m through a seven-year Euronote facility arranged by Merrill Lynch.

The facility bears an unusual structure designed to overcome what some market participants see as the disadvantages of the tender panel system that is now common for such facilities.

Under the tender panel system a group of banks and investment houses bids for the paper on a competitive basis, which means that some do not gain access to the paper at all. The paper is also at varying prices in ascending yield of the bids received.

Under the new structure Bank of Baroda will set its own margin on the notes each time it issues paper, and all senior underwriters will be given the opportunity to take paper at this yield. Merrill Lynch will place any residue in the market itself.

Merrill Lynch believes that this is a fairer system than tender panel bids. A check on the issuer setting the margin too low is that senior underwriters can refuse to take the paper at all. In that case it would be sold at a backstop yield, which based on comparable Indian borrowings is likely to be slightly below 20 basis points.

● Algeria has awarded the mandate for a $500m Eurocredit to a group of banks co-ordinated by Arab Banking Corp and Gulf International. As expected the deal bears a margin of ⅜ per cent for the first five years, falling to ¼ per cent thereafter.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for November 28.

[illegible]